

# *The* NATIONAL UNDERWRITER



GENERAL  
REINSURANCE CORPORATION

*Casualty - Fidelity - Surety*

90 JOHN STREET, NEW YORK ▼ 200 BUSH STREET, SAN FRANCISCO

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NORTH STAR  
REINSURANCE CORPORATION

*Fire and Allied Lines*

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90 JOHN STREET, NEW YORK ▼ 200 BUSH STREET, SAN FRANCISCO

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IOWA AGENTS CONVENTION

THURSDAY, SEPTEMBER 11, 1941

***"Prompt Paying Preferred"***

## **50 + YEARS *of* SERVICE**

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 56 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

# **THE PREFERRED ACCIDENT INSURANCE COMPANY**

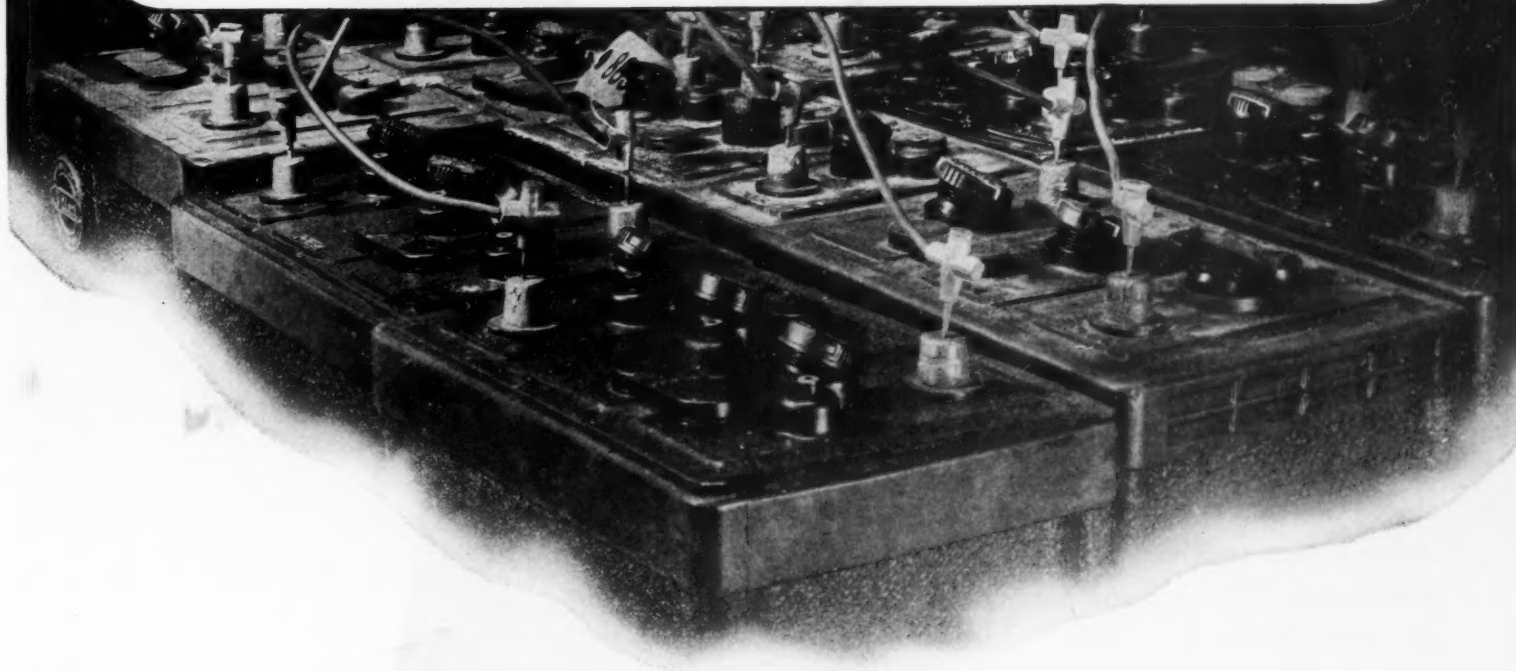
**HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.**

**EDWIN B. ACKERMAN, *President***

**AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY**

# "RECHARGED"

*for Better Selling*



**T**HESE are busy, important days in the insurance business. Defense production is creating — both directly and indirectly — countless new and greater insurance needs. New policies are being originated and existing forms revamped to meet changing conditions. Stringent amendments to financial responsibility laws in several states are opening new fields for the sale of automobile liability insurance. Account selling, which features service before the sale, is being rewarded as never before. ¶ All of which not only increases immediate sales but also assures a proportionately greater volume of future renewals for those well-informed aggressive agents who are able to grasp the present unusual opportunities.

¶ To properly equip its sales representatives for the still more strenuous days ahead, the Aetna offers, without tuition cost, a five weeks intensive course at Hartford in multiple-line insurance selling. Not only newly established agents but also those of longer experience gain much from this "refresher" course.

¶ In addition to the acquisition of a great deal of up-to-the-minute "product knowledge," they have the opportunity to make worthwhile contacts with other agents from various parts of the country and with many Home Office officials. As a result they return to their offices better informed and more enthusiastic than ever in their chosen career.

**IT PAYS TO BE AN AETNA-IZER!**



**THE AETNA CASUALTY AND SURETY COMPANY**  
 THE AETNA LIFE INSURANCE COMPANY — THE STANDARD FIRE INSURANCE COMPANY  
 THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

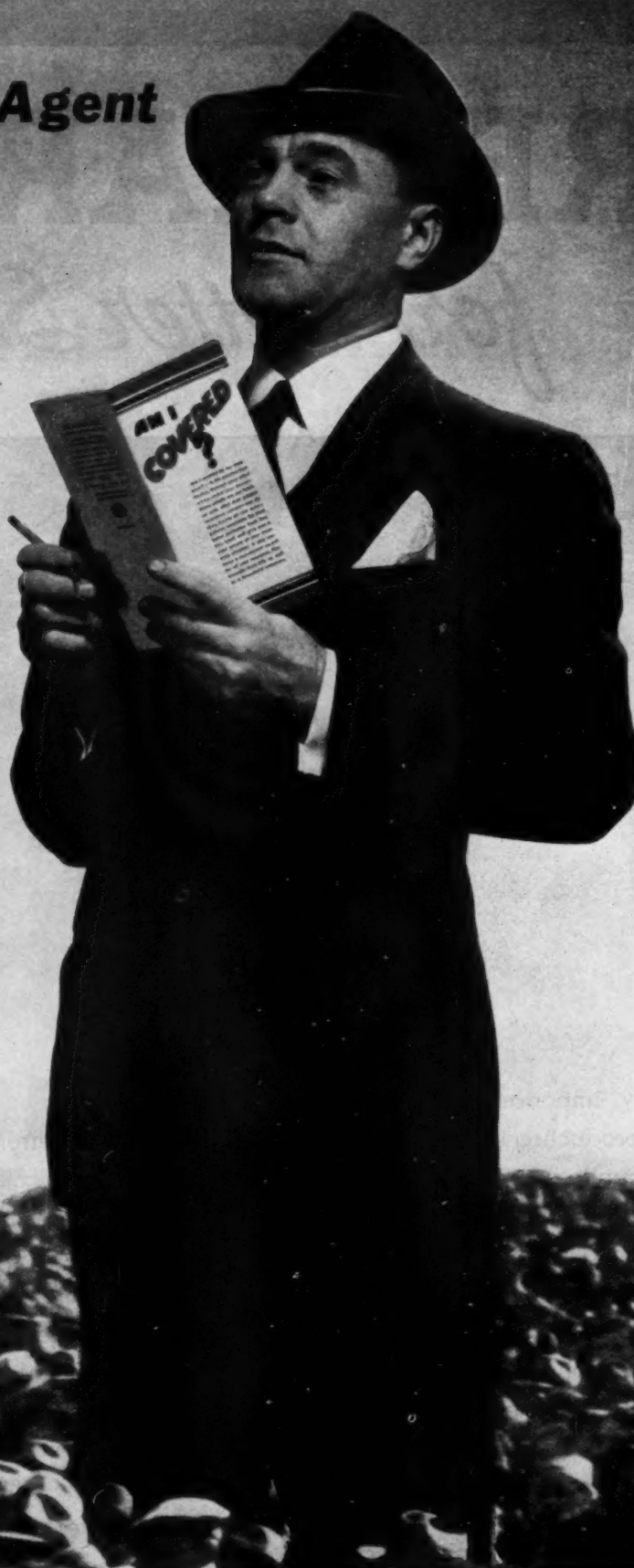


## Why Does This Agent Tower Above The Crowd ?

Because he sells protection -- not policies. He contacts his clients regularly and knows their insurance needs.

What is more -- he familiarizes them with the insurance protection they have and what they *should* carry, by using such "America Fore" sales helps as "Am I Covered?"

If you are interested in seeing the type of material which helps alert "America Fore" agents sell -- a line to the advertising department will bring you a copy of "Am I Covered?"



### *America Fore Insurance*

THE CONTINENTAL INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



### *and Indemnity Group*

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice-President

*New York, N.Y.*

CHICAGO

SAN FRANCISCO

NEW YORK

ATLANTA

MONTREAL



# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 37 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 11, 1941 \$4.00 Year, 20 Cents a Copy

## Canadian Insurers May Guard Against Priorities Penalty

### Draw Clauses to Bar Payments for Acts of Government

In view of the current interest in this country on the probable effect upon U. & O. losses of the priorities system, underwriters here are giving close attention to the recommendation that has been made to members of the All-Canada Insurance Federation by its president, W. E. Baldwin, of the America Fore group. The federation has recommended that the companies attach clauses to use and occupancy, profits and extra expense policies to provide that acts of government may not adversely affect the interest of the insurer. For use and occupancy insurance the recommended clause reads:

"This company shall not be liable for any loss resulting from damage to or destruction of any stock, or for the time required to reproduce any finished stock which may be damaged or destroyed, nor for any loss which may be occasioned by any law, or by any order or provision having like effect regulating construction, acquisition or repair of buildings, property and equipment, or by suspension, lapse or cancellation of any license, lease, privilege, right, contract or order, nor for any consequential or any remote loss."

So far as profits insurance is concerned, the suggested clause reads:

"No part of the period of interruption or interference with business shall be included as part of the period of indemnity which is occasioned, directly or indirectly, as a result of the existence of any law, or of any order or provision having like effect."

### Extra Expense Clause

For extra expense insurance the clause is:

"This company shall not be liable for any extra expense occasioned, directly or indirectly, as the result of the existence of any law or any orders or provision having like effect, which in any way curtails or delays the restoration, repair, rebuilding or replacement of buildings or of their contents or of such things in use in connection therewith, nor occasioned by the suspension, lapse or cancellation of any license, lien, privilege or right, nor for the cost of compiling books or commercial documents, or contingent or remote loss or expense."

Mr. Baldwin in transmitting the recommendations to the members, stated that the clauses are not absolutely watertight and would not protect the company in any and every contingency. However, counsel came to the conclusion that to make the clauses too strin-

## "Fire Defense for National Defense" Is Week Theme

"Fire defense for national defense" is the theme of Fire Prevention Week, to be observed nation-wide. Oct. 5-11.

President Roosevelt has issued the following proclamation:

"Whereas, the serious problems of national defense now confronting this country demand the utmost attention to the conservation of our human and physical resources; and

"Whereas, the lives of thousands of persons were lost and property damage of more than \$250,000,000 occurred during the year 1940 as a result of avoidable fires in the United States; and

"Whereas, individual responsibility for protecting human life and safeguarding homes, industries, and public buildings against this grave menace should be impressed upon the entire citizenry:

"Now, therefore, I, Franklin D. Roosevelt, president of the United States of America, do hereby designate the week beginning Oct. 5 as Fire Prevention Week, and I urge public authorities, civic bodies, educators, the press, and the radio to emphasize the dangers attendant upon fires in the present national emergency, and I recommend to all our citizens their active cooperation in the elimination of fire hazards and their prompt action in every situation threatening loss of life or property by fire."

Fire safety takes on added importance at this time, for not only is it necessary to eliminate the losses and interruptions of production caused by fire, but it is a vital part of the civil protection program of the Office of Civilian Defense.

"We are becoming a nation armed against fire," T. Alfred Fleming, chairman of the Fire Prevention Week committee of the National Fire Protection Association, declared in commenting on the 1941 observance. "We must protect our homes, our industries, our military establishments and all of our people from fire—no matter if it occurs from ordinary causes, from sabotage, or as the result of air invasion. Each of us must become a fire warden to help safeguard the destiny of our country."

### Intensify Training

The fire services of many cities, towns, and rural areas already are intensifying their own training programs and taking on the added task of enlisting and training auxiliaries. In industrial plants and institutions, more and more workers are being trained to use fire hose, fire extinguishers and other protective equipment. Rural fire districts are expanding their protective resources to protect forests, crops and food processing and stor-

gent would prevent their acceptance by the customers.

"We believe members generally will agree that beyond taking care of losses that are occasioned by acts of government such as in the case of this priorities matter," he stated, "the question resolves itself into a matter of underwriting and rates and it is counsel's considered opinion that the suggested wordings are as restrictive as it is possible."

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## C. T. Ingalls, Okla. Veteran, Retires

### Has Been Inspection Bureau Head Since 1904— Antenne New Manager

C. T. Ingalls, who introduced schedule rating into Oklahoma in 1904 and who has been manager of the inspection bureau since that time, announced at a luncheon meeting of the Oklahoma Blue Goose in Oklahoma City, Monday of this week, that he is retiring and that his successor is L. E. Antenne, who has been assistant manager of the bureau.

Mr. Ingalls has been in the insurance business 50 years. He started in 1891 with Northern of England in Chicago and later went with North British & Mercantile in the same city. He spent two years in Illinois and Indiana in charge of rating of special hazards on larger risks. He was part of the organization that in the early days was engaged in making test applications of the analytic system and at the same time he also handled special hazard risks under schedules then in use.

In 1904, Mr. Ingalls was appointed manager of the Oklahoma and Indian Territory Inspection Bureau. Prior to that time the work had been handled out of Topeka. In 1908 when Oklahoma attained statehood, the bureau was reorganized as the Oklahoma Inspection Bureau with Mr. Ingalls as manager.

Mr. Antenne is a native of Oklahoma and his entire insurance experience has been with the bureau. He first went with the organization in 1917.

age plants. Urban householders, men and women alike, are volunteering for emergency fire services to protect their individual homes and communities from conflagrations that are the purpose of incendiary bombing.

Fire Prevention Week, 1941, finds the United States all-out for fire defense on all home fronts, and observance of the occasion will penetrate more deeply into the national life than any similar observance in the past.

### Special Literature Prepared

A special fire prevention week poster shows a silhouette of firemen fighting flames with a soldier, sailor and aviator in the background. A leaflet features a drawing of the Statue of Liberty with the headline over the torch "Keep Fire in Its Place!" A fire defense quiz pamphlet outlines salient points regarding fire prevention with a questionnaire covering the points brought out. "Facts About Fire" booklets have also been prepared for Fire Prevention Week in which Mr. Fleming outlines plans for the 1941 observance. The booklet also includes articles by various authorities on eliminating farm fires, preparing against fire blitz, facts about forest fires, electrical hazards and prevention contests.

In more than 500 cities groups, under the leadership of local chambers of commerce, will unite in programs looking to the safeguarding of human life and property against fires and to the setting up of means for eliminating fire hazards. Emphasis will be placed upon the threat of fires to the national defense effort.

## Need Ads to Make and Hold Market, I. A. C. Head Says

### Hershey, Pa., Conference Urged to Aid Business Readjustment After War

#### NEW OFFICERS ELECTED

President — Robert E. Brown, Jr., Aetna Casualty.

Vice-president—Charles E. Freeman, Springfield F. & M.

Secretary — Clark W. Smitheman, Camden Fire.

Executive committee — F. Sidney Holt, Aetna Fire; Harry G. Helm, Glens Falls; Arthur Grose, Employers Liability; T. W. Budlong, Loyalty group.

#### By DOROTHY B. PAUL

HERSHEY, PA.—Insurance advertising men face their greatest opportunity in anticipating the conditions which business will face when the war is over and the "business honeymoon" has ended, David C. Gibson, Maryland Casualty, said in his presidential report to the Insurance Advertising Conference at the annual convention here this week.

"We are advertising and selling an intangible product which, by its very nature, is more likely than many others to feel the effects of readjustment that will follow when war ceases, with the resultant changes in the national economy. Against these times we must and should take the initiative in developing means to meet those problems."

### Expects Shock to Be Great

"The shock to business is going to be severe, and it is up to us individually and collectively to work toward helping provide the cushion for our companies and our agents."

"It is an opportunity, too, which I am sure our company executives already recognize. It is an opportunity which, taken at its tide, can lead to a far greater recognition of the power of constructive advertising in creating improved public relations for the stock insurance structure."

Mr. Gibson declared this "cushion" can be built by holding present customers and keeping them happy, creating new customers against the time when they will be needed, solidifying company relations with the agents, and educating those agents to the vital importance of their own spade work, both along advertising and sales promotion lines. In doing this agents will constantly develop new contacts and sales prospects and will know the value, power and psychology of advertising. Work in this direction now—not a year or two or five years hence—will provide the cushion upon which nearly all business will fall when peace returns.

(CONTINUED ON PAGE 12)

## Rate Cut to Home Owner Small Boon

**Agent Suffers But Assured Gets But Paltry Gain, Forbes Shows**

GRAND RAPIDS, MICH.—David A. Forbes, in his presidential address at the convention of the Michigan Association of Insurance Agents here, commented at some length on the much publicized drive on the part of Detroit's mayor and Michigan's governor to bring about a decrease in fire insurance rates, with emphasis on dwelling insurance.

Mr. Forbes pointed out that a householder's fire insurance costs are almost negligible. The average premium on this class in Michigan is about \$4 a year, and the average commission is about \$1 per year. He pointed out that a 15 percent reduction in rates would mean a saving to the policyholder of only about 60 cents a year, but in the aggregate would make dwelling business so unattractive to agents, that practically no sales effort would be exerted.

Agents should take every opportunity to acquaint the public with fire insurance facts. They should make it known that the average rate in Michigan has been constantly reduced by the companies when warranted. In 1915 the average rate was .95. In 1920 it was .789, in 1930, .76 and in 1940 only .55.

The total fire insurance premiums in Michigan in 1940 were \$16,209,167. If the rates of 1930 had been in effect premium income would have been more than 4½ million dollars greater.

### Cites Increases in Costs

Mr. Forbes observed that the demand for a rate reduction is particularly inappropriate today when the costs of building materials and labor are increasing so sharply. There is, for instance, a 49 cent increase in the cost of the most widely used piece of lumber, the 2x4x12, since 1933. Oak flooring has increased 22 percent. Wood shingles (if you can get them) almost 50 percent. Common labor costs have increased 50 to 60 cents and 75 cents per hour. Carpenter labor has gone up from 80 cents to \$1.25 and \$1.50. Hardware and plumbing supplies have gone up 30 percent since June.

At the recent meeting of the Michigan Fire Chiefs Association, each fire chief admitted that serious conflagration hazards exist in his city. Each faces serious handicap because of reduced man-power, tax limitations and equipment is insufficient to cope with anything but ordinary fires. Manager W. O. Hildebrand during the year is planning to devote most of his time to contact and local board work and to membership and dues activity, the president stated. The association has a goal of 700 members for next year which means that 158 new members must be acquired.

The association, he said, is still confronted with a financial problem that must be recognized by the membership. The new administration, he declared, should strive to get in position to carry on finances with dues income only. The response to the deficit appeal in July was satisfactory.

Mr. Forbes mentioned what he termed the inequality of the tax burden as between stock and mutual companies and he stated that the federal laws governing insurance taxation should be equalized and justly spread.

Mr. Forbes recalled that the association's attempt to eliminate probate court officers' ability to write insurance and bonds by license was successful. Although the association did not ask for immediate effect, it was given to understand that the insurance department is considering the law effective without legislative adjournment.

## Discuss Plans for Ohio Agents Parley



A group of leaders that conferred in Toledo the other day on plans for the annual convention of the Ohio Association of Insurance Agents in Toledo, Oct. 20-22. Left to right: Kenneth C. Rowland, local convention chairman; Charles Stewart of Cleveland, member of convention committee; Virgil G. Martin, Columbus, executive secretary; Norman Reed, secretary, and G. L. Fitkin, president Toledo Association of Insurance Agents.

Personnel of the committees in charge of the convention of the Ohio agents association has been announced by Kenneth C. Rowland, general chairman. Glenn L. Fitkin, president of the Toledo association, will be ex-officio member of all committees, and Norman W. Reed, executive secretary of the Toledo organization, will be secretary.

Committee chairmen are: Publicity and attendance, L. R. Spiller; finance, John Heidelberg; registrations, Maurice Johnston; entertainment and prizes, Bert Decker; golf and transportation, G. L. Eiselstein; ladies, Grace Beck; sergeant-at-arms and company headquarters, A. J. Kaltenback; Toledo Board headquarters and information, Kenneth C. Rowland; reception, Herbert Boynton.

## Ohio Makes Inquiry on Unlicensed Reinsurance

Superintendent Lloyd of Ohio is sending an inquiry to fire companies as to contracts that they have for excess of loss, conflagration and catastrophe covers with insurers that are not licensed in Ohio. Under the Ohio law Mr. Lloyd takes the position that companies may not reinsure Ohio risks on a contributory basis with unauthorized companies, but that the use of excess and catastrophe covers of unauthorized companies is not prohibited so long as the cost of these contracts does not exceed 5 percent of the premium. Nevertheless, he is making inquiry as to what excess contracts the companies have with unlicensed companies. He desires that the cost of such contracts be treated as an expense item and that there be no credit taken in the reserves.

## J. A. Arnold in Chicago Post for Kemper Unit

John A. Arnold is now the chief operating officer of National Retailers Mutual of Chicago. He takes the place of T. G. McCracken, who has resigned. Mr. Arnold heretofore has been located in the east, as vice-president of Federal Mutual Fire of Boston, which is also a member of the Kemper organization.

## Plant Protection Group Meets in N. Y. Sept. 18

NEW YORK—The Committee for the Protection of American Industrial Plants will meet in New York City Sept. 18 to review the growing demands on the insurance business by the increase in defense production. Through the committee, fire and casualty companies are now clearing to interested agencies of the federal government vital information on some 3,000 of the major defense plants.

## Continue N. J. Production Forums

NEWARK—The "production forums" which proved so successful last year under the sponsorship of the New Jersey Association of Insurance Agents, with the cooperation of the University of Newark, will be continued in 11 centers, starting in October and ending in May.

Elementary, advanced and special courses will be offered at the university, conducted along the same lines as last year. H. Donald Holmes is chairman of the association's educational committee.

Mat S. Cohen, Lexington, Ky., has sold a half interest in his agency to Miss Maybelle Hill, who has been secretary-manager.

## Large Wind Loss in Middle West

**Heavy Damage Reported in Minnesota, Wisconsin, Iowa, Kansas**

MINNEAPOLIS—Claims poured in at insurance offices here this week as a result of the windstorm which swept over a 15 mile wide path from the Twin Cities to White Bear Lake and Centerville, Minn., Sept. 4. At the same time an extremely high wind swept northern Wisconsin and did extensive property damage.

While early estimates placed the damage at close to \$1,000,000, revised figures indicate it will be much less than that. Claims may run as high as two or three thousand, however, and in Minneapolis, which was the hardest hit, half a dozen losses will run from several thousand dollars to \$50,000.

### One \$50,000 Loss

Probably the largest loss was to the A. T. Rydell Company plant, which was badly damaged. The walls of the plant collapsed. The loss here may run \$50,000. Several airplanes, schools, the 220-foot tower of WGDY radio station, and the Soo Line's Shoreham shops represent other large losses. It was said that the Soo Line shops are self insured.

In Wisconsin the roofs of two buildings at the Du Pont de Nemours munitions plant at Barksdale were blown off; numerous store windows were broken at Washburn where six large buildings lost their roofs, and both Phillips and Hayward, Wis., were hard hit.

Insurance companies report that this has been the worst hail season for them in the Minneapolis area in a decade, although the volume of business also was the heaviest in several years. Three severe hailstorms swept parts of Minnesota and the two Dakotas during the season, resulting in a heavy loss on growing crops, as well as on buildings and automobiles.

### HEAVY DAMAGE IN IOWA

DES MOINES—Damage estimated at close to \$100,000 was caused Sunday by a tornado that swept through 30 farms in the vicinity of Reasnor and Killduff, Ia. A strip less than a mile wide and 25 miles long was ripped out across the country. Adjusters reported unusually heavy losses, some running as high as \$5,000, with many small losses.

Damage in other sections of the state was also reported from wind squalls and hail. Heavy hail was reported near Estherville.

### FURTHER LOSSES IN KANSAS

KANSAS CITY—Added to the task of adjusting losses from the windstorm of Aug. 25 in and near Kansas City, damage from wind has been reported from various sections of Kansas more recently. There also have been more or less violent rainstorms causing water damage on properties hit by the previous storms. There has also been hail damage to property in some sections. Difficulties have been encountered in making repairs, as carpenters and other workers are not obtainable in sufficient numbers to repair damage at once before the later rains could enter and increase the losses.

### General Agents Plan Sessions

Following its established custom, there will be a meeting of the executive committee of the American Association of Insurance General Agents at the time of the annual meeting of the National Association of Insurance Agents. The members of the executive committee will hold meetings in rooms 1918-19 and 21 of the Phillips Hotel, Kansas City, Oct. 12-16. These are not closed meetings.

## THIS WEEK IN INSURANCE

Insurance Advertising Conference at Hershey, Pa., annual meeting urged to help business readjustment after war, insure retention of companies' and agents' services. **Page 3**

Canadian companies take steps to protect selves against losses due to the acts of the government, such as priorities enforcement. **Page 3**

"Fire Defense for National Defense" is Fire Prevention Week theme. **Page 3**

C. T. Ingalls, manager Oklahoma Inspection Bureau, retires after 50 years in insurance work. **Page 3**

Agents are finding it easy to sell additional fire coverage to business, industry and home owners to cover higher values. **Page 5**

Iowa agents hold outstanding convention at Cedar Rapids. **Page 17**

Annual convention of International Claim Association is held at Atlantic City. **Page 21**

Ferre Watkins, in addressing Chicago group, warns surety underwriters to exercise the utmost caution in their acceptance of risks these days. **Page 21**

Soldiers' and sailors' civil relief act creates problems in defending liability suits. **Page 23**

New setup for advanced civilian pilot training courses is announced. **Page 22**

Willis Smith of Raleigh, N. C., is elected president of International Association of Insurance Counsel at annual meeting. **Page 21**

Question of how sabotage may affect liability coverages is being deliberated by underwriters. **Page 21**



## Assured Need and Are Buying More Fire Protection

### Easy to Sell Added Cover to Meet Coinsurance; Residential Opportunity

A number, of assured are now buying additional fire cover to put their business and industrial properties well over the coinsurance requirements, whether those are 80 or 90 percent. Both agency and company offices report a very brisk activity taking care of this added business.

However, the business is not coming in by itself. Although assured readily recognize the need for increased cover because of rapidly rising values and are taking it in almost every instance, they are not doing so until the agent calls it to their attention. The situation is a responsibility as well as an opportunity for the agent.

One large agency has just completed going over all its directly written business, circularizing and contacting all assured on its books, and getting brokers to do the same thing. In hardly an instance has it failed to get more cover on the risk.

#### 100 Percent to Value

More assured than ever before are buying 100 percent to value with an 80 or 90 percent coinsurance requirement. This is being done because of the swift fluctuation in values of raw materials, finished stocks, plant and building costs, etc. With this sort of an arrangement, on a 90 percent coinsurance basis, assured has approximately 11 percent as a margin for rising values before he is penalized by the coinsurance clause. With an 80 percent coinsurance clause he has around 23 percent as an extra factor of safety. There seems to be no disposition on the part of assured to buy 100 percent coinsurance because of the difficulty of meeting the coinsurance requirements unless he has a weekly or monthly audit, and also because the credit in many jurisdictions does not offer a sufficient additional attraction over the 90 or 80 percent clauses. Besides, the lower coinsurance requirements give a wider margin of safety, and this is an important factor at the present time when assured is having to devote so much attention to production, employment and so on.

#### More Use Reporting Forms

There has been a noticeable increase in recent weeks in the number of assured changing over from specific to reporting form covers. One reason is that the Interstate Underwriters Board recently approved a reporting form of coverage for stocks in manufacturing plants. However, this is also due to assured's concern over maintaining his insurance up to coinsurance requirements under extending and accelerated operations. Some assured actually have stepped up the frequency of inventory in order to stay on top of fluctuations.

Examples of higher values can be found on every side. One concern with several locations decided to build a small addition to one of its plants. A year ago it built a similar one for \$1,500, but it found that the same building now would cost \$2,340. The company president was flabbergasted, the agent was startled. The result was a complete revision of the company's fire insurance schedule and an increase in overall insurance of 20 percent. The amount of

(CONTINUED ON PAGE 31)

### Third Survivor of First N.A.I.A. Gathering



H. H. CLEAVELAND

H. H. Cleaveland, president of Bituminous Casualty and prominent local agent of Rock Island, Ill., reports that he was overlooked in the article in THE NATIONAL UNDERWRITER of last week reporting that there are now but two survivors of the group that attended the organization meeting of the National Association of Insurance Agents at the Great Northern Hotel in Chicago in 1896. THE NATIONAL UNDERWRITER stated that those two survivors are both Missourians, George D. Markham of St. Louis, head of the Markham agency, and John A. Bryant, who is 86 years of age and resides at Kansas City. Mr. Cleaveland states that he does not know what the records may show as to just who attended the first meeting, but he does know very definitely that he was present. He said as he recalls it he did not take any part in the proceedings, and therefore, it may be that he was not recorded as being present.

Mr. Bryant operated the Bryant Insurance Agency in the old Ridge building in Kansas City. Later he was connected with Hunter, Ridge & Bryant agency which after Mr. Hunter's death became Ridge & Bryant and is now the Ridge, Spellman agency. Mr. Bryant retired from the business more than 15 years ago. The original Hunter, Ridge & Bryant agency was founded about 1890 and continued in substantially the same location. It was continued by Tom Ridge, Sr., and then with Tom Ridge, Jr. In 1932, Mr. Ridge and James Spellman incorporated as the Ridge, Spellman agency and after Mr. Ridge's death the office has been continued by James Spellman.

### Will Seek Auto Finance Legislation in Kentucky

LOUISVILLE—Legislation seeking to regulate and control automobile financing and especially the matter of finance companies methods of handling insurance will be sponsored at the next session of the Kentucky legislature by the insurance department.

According to Vernon D. Rooks, assistant director of insurance, there is serious need of laws to protect the buyers, and establish uniform methods under which automobile insurance shall be written or placed. In some cases owners are entitled to return premiums or dividends or both, which, however, are said to be captured by the finance companies. Then there are cases of merely conversion insurance, where the finance company at no time has more insurance on the car than the amount the owner owes to the finance company, it being reduced every time a payment is made.

## IN THE FIELD WITH OLD IRONSIDES

by H. J. B.

Sit down, Joe, sit down. Rest your hands and face. You know you can't fly on one wing. Why, every time I run into you lately you start walking away from me, like I had the smallpox or something. Relax, my friend. Besides, what have you got to do right now that's any better than sitting right here with me and lapping up a couple more saucers of this good, wholesome body building gin?

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Joe, I was going to ask you, are your agents driving you practically nuts with the questions they are popping at you lately? I mean, if they are doing it to one field man they must be doing it to another. Mine are killing me. I'll bet there isn't an agent of the Old Ironsides Fire & Marine in my territory who hasn't tied me up in a double bow knot with questions like: What is your underwriting attitude on U. & O.? Has your net line changed on the main classifications? What is your position on plants that have been idle, but are being opened up for national defense work? Stuff like that. The ones that aren't flinging those at you will ask maybe, Where do you stand on the U. S. of A. getting into the war? What do you think of this dope Ickes? How does the America First Committee stack up with you? Should our boys be sent over to fight side by side with Bloody Joe Stalin? Be frank with you, Joe, half the time I don't know the answers. They might as well ask me who put the overalls in Mrs. Murphy's chowder.

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It had got to the point lately where I was you might say a fugitive from my own agents. It was better not to see them at all than to have them making a monkey out of me with questions that the B. D. O. or the National Board or Walter Bennett or anybody couldn't give the answers to. Well, they had me hanging on the ropes. I was feeling like a quiz kid out of work, when all of a sudden one day my agent at Quincy, usually is a dummy of the worst kind, let fly with one that smacked me right between the eyes. Maybe you have had it happen to you, Joe, where someone says something to you or asks you something, and it is just like there is a light lights up inside of your head, and you know right then you have hit the jack pot.

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All this old goat at Quincy said was, "What is the Old Ironsides Fire & Marine going to do about getting out a participating policy, the way some of the other companies are doing?" but as soon as he made the crack I knew I was in. I never said a word to him about it; just act like I was out of touch with the home office, didn't know what was going on and so forth. That isn't so far from the truth, either. A lot of times when I open my mail and all that falls out of it is a bunch of regulations, rulings, clauses and things of that kind that nobody in the God's world can understand. I wonder if it has got to the place where you need to be a college graduate or may be even a professor, if you are going to travel on the road for an insurance company.

But getting back to what I was talking about, after my broken down agent at Quincy made that off hand remark to me, I went to work to whip up a participating policy that will make all of the others that anybody has put out look like thirty cents worth of dog meat. First place, the name participating is stinko. Nobody knows what it means. Sounds like maybe it's a reciprocal with an assessment clause or something like that. It's got no sales appeal, what you got to do is make them want it, so I am

calling mine the "Share the Wealth" policy. Get it? Huey Long was nobody's nitwit. Right away everybody figures "Share the Wealth" means they are going to get a cut, or they are on the inside of the deal. It's what they call merchandising. O.K. The name is a honey, but now let me tell you how I am going to work it out from an agency angle.

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Where everybody else has made their mistake is they have had a set-up for giving back part of the premium to the policyholder, if he didn't have any losses. Some of them are calling this a policyholder's dividend, but anyway it's where the participating part comes in. All kinds of dough has been passed out to policyholders like this where it hasn't done the companies a quarters worth of good. Listen. All the hell a policyholder ever does is buy the policy, stick it away some place where he can't find it, and then forget all about it until the next premium is due. You can tell him anything you want to when you sell it to him, and then if he argues later you can say he must have misunderstood you. It's a cinch he won't read the policy, so why should you give a dividend, or whatever you want to call it, to some meat ball that don't even know he's got it coming to him?

\*\*\*

Now let me show you how a smart operator works. I'm not going to clown around with any policyholders. Why? Simple reason is no policyholder gives me a dime's worth of business. Where I get all my business is from the agent, so with the Old Ironsides Fire & Marine plan it's the agent, and nobody but the agent, that gets the dividend, or between you and I, Joe, it's a sweet excess commission, but I got it tied up in such a package even a National League umpire couldn't see through the wrapper. Here's the way it's going to be. When he writes the policy, I give him the regular 25 percent. At the end of the first year, if there are no losses, I slip him a "Share the Wealth" check for another 25 percent, and I keep right on doing this as long as the policy is on the books. If there is any kind of a loss, then there is no dice on the "Share the Wealth" check. What that does is it keeps the agent loss minded, and what I get is the creamy business. The way I get around all the bureaus, manuals and the different rate checkers is I call 25 percent of it commissions and the others 25 percent dividends, only who is getting the dividends is nobody's business. You know, what makes me laugh is it's so simple I can't understand why somebody else didn't cook it up years ago.

Well, about all I got to do now is sit back and wait 'til I get it rolling. I'd like to see the looks on the faces of the Hartford, Home, Aetna, Freeport Motor Casualty and companies of that kind that are copping all of the good business today, when I get going with this thing of mine. They will feel like a nickel, but they won't be able to make a move to the right or the left, because my set-up is going to be copyright. I'm telling you the agents are going to be so Old Ironsides Fire & Marine conscious, the only business the other companies will get is what I won't write, and what I won't write shouldn't happen to a dog.

The Minneapolis Insurance Women's Association will resume its activities with a dinner meeting Sept. 15. S. W. de-Waard of the Home group will speak. Reports and colored movies of the national convention in Nashville will be given. The St. Cloud Insurance Women's Association has been invited to attend.



## Nation-wide Fire Protection Service Aids Producers

Automatic sprinkler equipment that is engineered into a building so it is not obtrusive and does not detract from the architectural beauty is a feature of the nationwide service of Allen E. Hendricks, fire protection engineer, Board of Trade building, Chicago, who is well known in the insurance business, formerly having been vice-president of Monarch Fire and chief engineer of Western Sprinkled Risk and later Pearl Assurance.

Mr. Hendricks' principal service is fire protection inspections, an initial exhaustive inspection being made for each client followed up by additional inspections twice yearly to catch any changes, modifications of hazard, etc. Upon leaving Pearl Assurance some two years ago, Mr. Hendricks assumed the Pearl's engineering organization, which was on a countrywide basis. He has been operating as an independent fire protection engineer now successfully for two years. His staff consists of 10 men, mostly graduate engineers or men who have had long rating bureau experience.

### Aid to Independent Brokers

Independent brokers who are not associated with large agencies or branch offices which have full engineering facilities are seriously handicapped in soliciting large risks, according to Mr. Hendricks, because their competitors with better facilities have more to offer the assured. The Hendricks office makes an especial appeal to such independent brokers.

Mr. Hendricks has been concentrating lately on commercial and industrial institutions, such as steel mills, factories of all kinds, etc. He is adviser and consultant to mail order concerns. In addition to the inspections, he drafts sprinkler plans and specifications.

Associated with him are Victor L. Charn, architect, and Robert E. Hattis, mechanical engineer. These three bring together in one office all of the functions necessary in the planning and supervising of construction of buildings and plants, thus making possible unified plans which incorporate and conceal in the structure ventilating, air conditioning and automatic sprinkler systems.

### Originates Several Devices

Mr. Hendricks originated and is providing for his clients the systems of having air conditioning fans shut down when sprinkler heads open or there is any water flow in the system; of having an electric eye to detect smoke in buildings, such as windowless department stores, and to put in an alarm, and also of having an auto call which indicates on a central panel where a blaze is located.

Mr. Hendricks is a graduate of the Armour Institute of Technology fire protection course, who for a time was an engineer of the Factory Mutuals before becoming engineer of Western Sprinkled Risk. Architect Charn has had 22 years' architectural experience, specializing in industrial establishments. His plans combine beauty, utility and economy. Engineer Hattis is a graduate of the University of Illinois, who has been in the business 27 years. He is past president of the Illinois chapter of the American Society of Heating & Ventilating Engineers.

### Scope of Inspections

The Hendricks' inspections, which are conducted twice yearly in 1,600 cities, include such items as a summary of main features, fire divisions, changes, protection, good features and defects, tests and examinations, construction, occupancy, exposure, common and special hazards, alarm, private and public protection, automatic sprinkler, recommendations and probable loss estimates.

His office, which is ideally designed, recently was moved from 333 South

## Hewett Dinner Features Mich. Field Rallies

LANSING, MICH.—B. L. Hewett, who was elevated recently to the post of assistant manager of Boston and Old Colony in the western department, after many years of service in the field was guest of honor at a testimonial dinner given by the Michigan Blue Goose. More than 100 were present at the affair which followed an afternoon of golf in which the honor guest, as has been his custom for years, demonstrated his superiority by coming in with a gross score of 77, low for the day.

With most of the state's field men gathered in Lansing for the day, meetings of the Michigan Fire Prevention association and the Michigan Fire Underwriters association also were held, the schedule of inspections for the coming year being framed at the session of the former organization.

### Tribute to Honor Guest

Mr. Hewett was praised by dinner speakers. Earl Gibbs, western manager, expressed his appreciation at having so capable an associate. Other speakers, introduced by J. Frank Bohrer, Detroit, Camden Fire, who presided as most loyal gander, included: John R. Baker, of the John R. Baker general agency, Grand Rapids; Stuart Morgan, Agricultural, and George Stone, National Liberty. Oscar Wische, Detroit, veteran state agent of the Phoenix of England, also added his tribute and made the formal presentation to Mr. Hewett in behalf of the assembly of a handsome traveling bag.

Mr. Bohrer, as retiring president of the Michigan Fire Underwriters Association, also was recipient of a gift.

At the executive committee meeting of the fire prevention association, the following inspection schedule was adopted: Plymouth, Sept. 24; Petoskey, Oct. 23; South Haven, Nov. 26; Charlotte, Jan. 21; Saginaw, Feb. 18; Hillsdale, March 19; Ionia, April 22; Ludington, May 21. Fred H. Pierson, American, is president of the association.

## Mich. Non-Conference Men to Increase Collision Rate

LANSING, MICH.—Majority opinion, at a meeting here of representatives of more than 30 auto-writing carriers, most of them domiciled in Michigan, favored "going along" with the conference companies in their recent announcement of increased collision rates. Some 50 officers of the various non-conference carriers attended the session.

It appeared, according to James R. Otto, Auto-Owners, Lansing, who signed invitations to the meeting, that sentiment of the gathering was cool toward the conference-adapted plan of issuing a \$15 deductible policy in an effort to provide a near-approach to the convertible form outlawed as of Sept. 1 by the Michigan department. No criticisms of the departmental action in prohibiting the popular "50-50" or convertible form were heard.

While collision rate increases will vary somewhat among the individual carriers, those at the meeting said, due to different territorial classifications, it is anticipated that most of the new schedules will approximate those of the conference companies, representing, roughly, an increase of from 20 to 25 percent strictly on the collision rate.

### Louisiana Bureau Elects Oct. 15

The annual meeting of the Louisiana Rating & Fire Prevention Bureau will be held in New Orleans, Oct. 15.

LaSalle street to the 43rd floor of the Board of Trade building, where it occupies the entire floor.



# MONEY TALKS!

To be a successful Agent a ready tongue is helpful in marshalling argument and overcoming objection; but a financially sound company speaks for its Agents with an eloquence that is even more important.



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## Chicago Premiums Increase 15.4%

The Chicago "Journal of Commerce" reports the results of a survey it has made of the writings in Chicago and Cook county of the 31 leading stock fire company groups. These companies had a premium gain for the first six months of this year of 15.4 percent over the parallel period of 1940. The total premiums of these companies during the first half of this year amounted to \$7,552,410 or an increase of \$1,165,937. The premiums are those for fire, wind and sprinkler leakage. The tabulation is as follows, in the first column being the premiums for the first six months of this year and in the second column the writings for the first six months of last year:

	1941	1940
Home .....	\$648,342	\$574,427
America Fore .....	539,723	505,626
Royal-Liverpool .....	525,558	429,405
Firemen's .....	396,657	355,834
No. British .....	360,583	288,865
Hartford .....	349,046	311,798
Aetna Fire .....	324,779	230,213
Phoenix, Ct. ....	321,512	266,608
No. America .....	303,541	311,465
Crum & Forster .....	283,947	196,665
Lond. & Lanc. ....	274,418	231,994
National .....	263,772	220,062
Springfield .....	259,702	212,305
Cor. & Reyn. ....	235,893	211,476
Gr. American .....	196,761	180,275
American .....	194,539	156,284
St. Paul .....	184,922	160,177
Fireman's Fd. ....	179,377	158,225
Automobile .....	177,276	160,133
Fire Assn. ....	165,809	117,072
Millers Natl. ....	151,003	110,618
Glens Falls .....	148,185	121,150
Comm. Union .....	147,901	146,705
Pearl .....	142,288	80,399
Travelers .....	140,083	92,055
Standard, N. Y. ....	130,001	123,193
Fid. & Guar. ....	117,036	80,368
London .....	112,763	111,049
Merch., N. Y. ....	105,352	91,305
Sun .....	103,599	87,632
Northern, Eng. ....	70,042	63,090

### HOLC May Remain in Wash.

NEW YORK—While it was announced several weeks ago that the Home Owners Loan Corporation would transfer headquarters from Washington to this city, the transfer has not been made up to this time, and the report is the directors of the HOLC are reluctant to leave Washington. Should it develop that the organization will continue to function from Washington, the Stock Company Association, too, will retain its headquarters in that city, with G. C. Morgan in charge as secretary-manager.

HOLC business is being written in New York as well as in most other states through the S. C. A. The insurance department here agreed to permit the S. C. A. to operate with the stipulation that a check-up would be made after six months to determine the reasonableness of the commission allowed by the S. C. A. to the HOLC. It is assumed that certain states are waiting the result of this review by the New York department before taking a final position.

J. G. Emery, former Michigan commissioner, now retained by the Stock Company Association, is visiting the various insurance departments explaining the exact nature of the agreement between that organization and the HOLC.

### Agents Enjoy Bus Tour

Agents of the National Fire & Marine and their wives, numbering 32 of Indiana, Michigan and Ohio were taken by General Agent R. F. Hauenstein of Elkhart, Ind., on a 1,700 mile trip through the east. The party journeyed by bus. While in New York, they were guests of National F. & M. They were taken to Jones Beach. There was entertainment along the way including organ music in the bus.

### Wilbur Nelson Again Journalist

After an absence of some months from the National Board of Fire Underwriters where, for nearly eight years he served in a publicity and public relations capacity, A. Wilbur Nelson now goes back to newspaper insurance editorial work.

Before going to the National Board,

Mr. Nelson was in charge of the insurance department of the New York "Herald Tribune" where Robert Cresswell, now publisher of the "Ledger," was treasurer.

Mr. Cresswell asked Mr. Nelson to join his staff, writing not only for the Philadelphia "Evening Public Ledger" but offering his insurance column also to newspapers reached by the Public Ledger Syndicate.

Get more casualty business. Send \$1.50 for year subscription to Casualty Insurance, 175 W. Jackson Blvd., Chicago.

## Bethlehem Steel Launches Special Fire Safety Drive

BETHLEHEM, PA.—Posters tailor-made to meet the particular fire hazards of the steel industry, are a part of a current fire prevention campaign being carried out by the insurance department of Bethlehem Steel Co. Analysis of records kept since 1918 indicate seven major fire hazards, and the posters displayed at various points cite these. These subjects, a new one of which is posted monthly, include faulty electrical wiring, spilled oil, oily waste, welding

sparks, hot metal, hot chips, borings, and smoking.

Since 1918 over 45,000 fires have occurred on the company's properties, most of them extinguished before causing any great damage. The seven most common causes are electrical, hot metal, stoves and stacks, locomotives, acetylene, fuel oil and ashes. Records show that there is a close relation between the extent of the insurance department's activities and fire frequency. The poster campaign is one phase of the current program for keeping fires at a minimum under expanding operations.

Arson is a favorite weapon of the saboteur...and the automatic sprinkler his deadly enemy. The arsonist's first move, therefore, is to shut off the supply of water to the sprinkler system, or otherwise to render it ineffective. And this he can easily do—unless the sprinkler system is electrically supervised to automatically detect and report such tampering.

A.D.T. Supervision is the most effective safeguard to insure that sprinkler systems are constantly maintained in proper operating condition. The closing of any shut-off valve or any other condition that might impair the sprinkler's effectiveness, whether by accident or malicious intent, is instantly and automatically reported to the Central Station, which

immediately investigates every trouble signal and secures corrective action. A.D.T. Supervision makes the sprinkler system function also as an efficient automatic fire alarm system, automatically summoning the fire department the instant a sprinkler head opens.

Write for further information on this and other A.D.T. Electric Protection Services that are helping establishments in all fields to combat the threats of sabotage, fire and burglary.

These Services include *Sprinkler Supervisory and Waterflow Alarm*, described here; *Aero Automatic Fire Alarm*; *Invisible Ray Alarm*; *Holdup Alarms*; *Burglar Alarms*; *Emergency Police Call*; *Watchman Supervision*. Descriptive booklets furnished on request.

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## NEWS OF FIELD MEN

### Ohio Pond Has Gala Outing

CINCINNATI—Six candidates were initiated at the annual fall outing of the Ohio Blue Goose: M. W. Buelow, National Inspection Company; J. A. Fish, W. T. Charlton, C. L. Calvin, J. W. Watters, Western Adjustment, all Cincinnatians, and J. M. Martin, Ohio Farmers, Dayton.

The following new pond officers were in charge of the meeting: F. C. Wolf, New York Underwriters, most loyal gander; W. W. Waters, Ohio Farmers, supervisor; A. S. Snow, Camden, custodian; E. F. Gallagher, Ohio Inspection Bureau, guardian; C. N. Mullican, Jr., North America, keeper; H. F. Albershardt, Western Adjustment, welder.

#### Toledo Puddle to Meet

A grand nest report was given by past Most Loyal Gander P. F. Brown, Hanover. W. N. Robbins, American, stated that the Toledo puddle would hold an initiation meeting Oct. 20 during the annual meeting of the Ohio Association of Insurance Agents and urged a large attendance. Mr. Mullican, who was in charge of entertainment for the outing, announced that program.

Guests included John Rygel, secretary western department Hanover, Chicago; Richard Wade, State of Pennsylvania, W. P. Hoffman, Kenneth Dick, National Fire, Milton Miller, Royal-Liverpool, Kentucky pond, and Patrick Mangin, London & Lancashire, Indiana pond.

The Ohio pond now ranks fourth in membership with 424 members.

Golf prize winners were: Blind bogey, J. A. Neilan, Norwich Union (Cincinnati Fire Underwriters Association trophy); Elmer Sherman, Royal-Liverpool; T. W. Earls; J. T. Dillhoff; K. J. Hoag, Fireman's Fund; W. R. Perkins, Cincinnati, G. R. Hammerlein, Cincinnati.

#### Outcome of Baseball Game

In the baseball game, Cincinnati under Captain Joseph Rielage, Ohio Audit Bureau, defeated Columbus under Captain Wilson Lively, Agricultural. High spots of the game were the fielding of Cincinnati, and the playing on third base of R. S. Olsen, America Fore, of the Columbus team.

J. F. Schweer, secretary Cincinnati Fire Underwriters Association, was scorekeeper and the umpires were S. A. Silverstein, attorney, and Fire Chief Thomas Fisher of Norwood.

At the fall meeting of the Ohio Fire Underwriters Association a U. S. Treasury film was shown. New members are: C. K. Smith, Employers Fire; W. E. Bowie, America Fore, and Mr. Fey, Fire Association, all of Cleveland. Attendance was about 200.

### W. H. Polz Heads Indiana Fire Prevention Association

Walter H. Polz, state agent of Sun, was elected president of the Indiana Fire Prevention Association at the annual meeting Monday. Wayne C. Collier, Ohio Farmers, was elected vice-president, and Don G. Kaga, Royal Exchange, reelected secretary-treasurer.

Clem F. Smith, Indiana state fire marshal, outlined some plans that are in preparation for the education of a group of firemen and others who will be trained to teach fire prevention to others. It is hoped to prepare civilians as well as firemen so that they can be ready to assist in extinguishing any number of fires that may be started simultaneously, thus overtaking the man power of regularly employed firemen. A representative committee has been

named to help formulate the program. Full cooperation of the Fire Prevention Association was promised to Mr. Smith.

#### Kansas Field Groups' Activities

The Kansas Fire Underwriters Association held its opening meeting of the fall, Sept. 9, in Topeka with President William Ehret, America Fore, presiding.

Kansas field men, members of the Kansas Fire Prevention Association, are assisting the Hutchinson Insurance Board with the booth and exhibit at the Kansas State Fair in Hutchinson the week of Sept. 14.

The Blue Goose auxiliary of Wichita held its opening luncheon-bridge Sept. 10. Regular meetings of the Sunflower Puddle start Sept. 15.

#### Ade Illinois Pond Golf Champion

The playoff of the annual golf tournament of the Illinois Blue Goose at Champaign, Ill., was won by Charles W. Ade, Chicago. Second prize went to Carl B. Temme, St. Paul, and third prize to William Leuter, Ohio Farmers. The prizes will be presented at a later meeting of the pond.

The event was held in conjunction with the annual outing of the Champaign Association of Insurance Agents, which was attended by more than 100.

#### Yager Joins Landers & Landers

M. B. Yager has been appointed superintendent of the fire division of the Landers & Landers general agency in Indianapolis which operates throughout the state of Indiana. For the past fourteen or fifteen years Mr. Yager has been state agent of the Bankers & Shippers group for Indiana.

#### Discuss Prevention Ordinances

DES MOINES—At its first fall meeting the Iowa Pond Blue Goose discussed the National Board's drive for fire prevention ordinances in all Iowa cities, as presented by Claude Borrett, state agent Hanover. Field men were urged to assist the local agents in sponsoring the city ordinances throughout the state.

C. K. Thornburg, newly appointed Iowa special agent of the farm department of Home, was a guest.

#### E. C. Clarke with New Hampshire

Eugene C. Clarke, Jr., special agent for Jerome & Cowan, Atlanta, has become special agent of New Hampshire and Granite State in Georgia and South Carolina.

#### Bright Made Assistant Secretary

J. E. Bright of the North America has been appointed assistant secretary of the Iowa Fire Prevention Association by J. W. Lenehan America Fore president. O. R. Whaley, Iowa State Underwriters was appointed chairman of the speakers committee.

Inspections have been announced for Sac City Sept. 24 and Mason City Nov. 12-13.

#### Kavanaugh with Firemen's

Ray J. Kavanaugh, who has been in the northern California field for several years, has been appointed special agent of the Firemen's group in the same territory.

#### Carpenter to Speak in Los Angeles

The Southern California Fire Underwriters Association will hold its first fall meeting Sept. 15 in Los Angeles. S. L. Carpenter, Jr., manager of the Pacific Board, will review the new rules and regulations of the board.

#### Hawk Named Ohio Special Agent

Northwestern Fire & Marine and Twin City Fire have appointed Clarence A. Hawk special agent at Hamilton, O., associated with Special Agent S. A.

Crane of Findlay. Mr. Crane, who has rounded out 50 years in the insurance business, will be relieved of some of his traveling duties under the new arrangement.

#### Seattle Pond Opens Season

The Seattle Blue Goose opened its fall meeting program Sept. 8. Most Loyal Gander Paul J. Braun reported on the grand nest meeting.

#### NEWS BRIEFS

The weekly luncheons sponsored by the Michigan Blue Goose were resumed Monday in Detroit.

The annual golf tournament of the Minnesota Blue Goose, set for Sept. 8, has been postponed to Sept. 15.

Kentucky field men have arranged for the first meeting of the Speakers Bureau Sept. 15 in Louisville.

#### Van Schaick and Lloyd Slated

George S. Van Schaick, vice-president of New York Life, and Superintendent John A. Lloyd of Ohio are among the speakers scheduled for the meeting of the Mortgage Bankers Association of America, in New York Oct. 2.

## NEW YORK

#### BROKERS DINNER OCT. 22

The annual dinner meeting of the General Brokers Association of Metropolitan District, Inc., will be held at the Hotel Astor, New York, Oct. 22. Nathan Greenbaum is chairman of the dinner committee; Leonard Jacobs, invitations; Robert M. Ferguson, reception; S. N. Schwartz, seating; Paul Simon, music; John F. Nubel, door; E. W. Roberts, publicity, and A. A. Wagman, boosters.

#### BRITISH RELIEF BALL SEPT. 26

A grand ball and entertainment to be held at the Astor Hotel, New York, on Friday evening, Sept. 26, has been arranged by the downtown committee of the British War Relief Society. Net proceeds from tickets and revenue from souvenir programs will be devoted to the alleviation of suffering in Great Britain.

A well-filled evening of entertainment will be provided. Music for dancing will be supplied by the well known composer and band leader, Van Alexander. Miss Jane Winton, who successfully appeared at the Plaza Hotel and who has been featured in one of Ned Wayburn's musical revues, will also be on hand. Climaxing the special events, the British

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War Veterans Organizations in metropolitan New York will troop the colors to the skirling of the pipes.

Dress is optional and tickets, at \$1 each, may be obtained from any of the following New York City branches of the British War Relief Society: 111 Broadway, 25 Broadway, 17 Battery Place, 34 Whitehall street and 150 William street.

#### COLUMBIA UNIVERSITY COURSES

Winter courses in insurance by Columbia University will start Sept. 25. The officers of instruction are Milton Acker, manager compensation and liability department National Bureau of Casualty & Surety Underwriters; Dr. C. L. Parry, research associate Metropolitan Life, and L. B. Hazard, adjuster.

#### JOHN ULREICH IS ADVANCED

John Ulreich has been appointed assistant manager of the all risks department in the New York metropolitan office of Commercial Union. He has been with that company during his entire business life. In 1936 he was assigned to the all risks department and in 1939 was named as all risks underwriter in the metropolitan department.

#### BECKWITH IS NOW INSTALLED

R. M. Beckwith, who arrived in New York from Chicago several days ago to assume his new position as assistant manager of the Eastern Underwriters Association, will make his home in Scarsdale. Mrs. Beckwith and the daughter will come east early next month.

### Auto Policy Changes in Canada Reviewed

TORONTO—That a suitable war clause has been adopted in Canada for automobile policies will be reported to the conference of the Association of Superintendents of Insurance of the Provinces of Canada in Toronto next week. However, it is understood this yet has to be enacted by legislature. The report of the committee recalls that the following wording was agreed upon for inclusion in the uniform act.

"Unless otherwise expressly stated in the policy or endorsed thereon, the insurer shall not be liable for loss or damage which, in the whole or in part, is caused by war (whether declared or not), invasion, hostilities or warlike operations, civil war, rebellion, insurrection, revolution or usurped power."

Pending enactment of this legislation, the wording has been included in the new garage and sales agency policy recently promulgated as a new standard policy.

One section of the report is headed "Non-ownership added to an owner's policy." It states that during the last six years insurers have not been permitted to add to an employee (owner's) policy the name of the employee's firm. However, this year insurers were notified that the committee of underwriters had recommended approval of a form extending coverage to the Minister of Munitions & Supply and/or Chemical Construction Company, in addition to the truck owners required, under the terms of a war supply contract, to carry owner's motor vehicle liability insurance of this type. The recommendation was made only to meet the special requirements of war conditions and on the understanding that any other requests of this nature are to be submitted to the superintendents for consideration.

The report states that 1941 provided no opportunity for the superintendents to consider the subject of agencies being directly or indirectly affiliated with automobile finance companies.

#### Wm. Penn Fire in New Home

William Penn Fire of Philadelphia has moved into new quarters at 420 Walnut street. It is expected soon that the company will enter the automobile and marine fields. Theodore P. Gorsuch, Jr., is manager.

## U. S. Seeks Defense Project Auditors

The quartermaster corps of the war department needs project auditors in connection with emergency projects being constructed under the national defense program. Applications for this position are now being accepted by the civil service commission. Salaries range from \$2,600 to \$5,600 a year and persons selected may have to report to Washington, D. C., or Fort Myer, Va., for instruction and must be willing to accept subsequent assignments to any of the field offices of the quartermaster corps.

The duties of persons appointed to the higher grades of project auditor, \$3,500 and up, will include responsibility for the installation and operation of accounting and auditing procedures for recording and controlling expenditures on construction work. They will formulate procedures for payment to contractors and for the efficient operation of such departments as finance and accounts, material, payroll, tools and equipment and transportation. Those in the lower project auditor positions will be responsible for the operation of one or more of these departments and in addition

will coordinate administrative activities relating to personnel, mail and files, and office supplies and equipment. Their duties may also include verifying the wage rates paid and the hours worked and the preparation of invitations for bids, contracts and leases.

#### Require Supervisory Experience

In general, to qualify applicants must have had supervisory experience in accounting and auditing comparable to that on a large construction project. However, for some of the positions in the three lower grades, experience merely as office manager directing accounting and personnel functions in an office of considerable size, will be qualifying. Any experience offered must demonstrate possession of administrative or executive ability and technical knowledge essential to the supervision of all phases of the accounting and auditing work. For some of the experience, applicants may substitute study in accountancy or business administration or they may use experience in actually performing difficult accounting and auditing work.

The age limit for these positions is 60 years, but persons above that age may apply if they meet physical and other requirements. Such persons will not be given permanent appointment but their qualifications will be classified and

their names listed for filling defense needs which could not be satisfied by normal means. Further information, including the complete experience provisions and application forms, may be obtained at any first or second class post office or from the civil service commission, Washington.

#### Want Steel Stock Appraised

PITTSBURGH—Eight companies of the Home group and one individual have petitioned the common pleas court of Allegheny county to appoint appraisers to value the preferred stock of the Jones & Laughlin Steel Corporation.

Under a refinancing proposal adopted at a meeting of stockholders July 22, preferred stockholders would receive new preferred and common stock, but no dividends on present stock holdings.

The insurance companies, owning 11,700 shares of 7 percent cumulative preferred stock, have asked that three disinterested persons be named by the court to make the appraisal. They are Home, Home Indemnity, Baltimore American, National Liberty, Paul Revere, Homestead Fire, Carolina and Franklin Fire.

Life agents were guests of the Manitowoc, Wis., Insurance Board at the annual outing held at Loef's resort.



ANY DOUBTS?

Never keep a man guessing about his insurance. Use The Employers' Group Analysis Plan. It's a professional way of presenting your story. You give your client all the information he needs — his coverages, limits, premiums and expiration dates — complete in an attractive personal portfolio. You show him what insurance he has and what he should have — based upon your analysis of his needs.

Our monthly magazine "The Pioneer" contains many interesting articles showing how effectively the analysis plan works. Send for a copy now of the current issue. Write to The Employers' Group Publicity Dept., 110 Milk St., Boston.

The Employers' Group...

## AS SEEN FROM CHICAGO

### ADDITIONAL CHICAGO FIGURES

Additional fire premiums reported to the Chicago comptroller for the 12-month period ended June 30, as compared to the writings in the fiscal years ended 1939 and 1940 are:

#### Stock Companies

	1941	1940	1939
Automobile	\$171,602	\$172,787	\$160,823
Agricultural	76,557	67,631	68,729
Am. Eq. Assur.	139,719	118,137	139,067
Amer. Union	95,155	76,256	77,753
Bank & Ship	65,497	60,571	53,074
Caledonian	50,124	49,140	49,777
Calvert	35,850	...	...
Camden Fire	46,800	50,213	50,126
Carolina	11,488	9,651	8,409
Central Un.	35,144	26,310	18,820
Citizens	54,458	27,329	25,995
City of N. Y.	35,941	42,712	37,278
Commonwealth	124,559	107,081	130,997
Empire State	26,718	27,707	36,377
Franklin Fire	71,793	72,829	67,696
Ga. Home	13,837	...	...
Gibral. F. & M.	6,876	8,087	7,271
Globe & Rep.	68,803	86,868	76,814
Hartford	336,982	313,735	332,312
Home, N. Y.	493,459	466,786	456,355
Homeland	28,301	9,427	13,078
Homestead	7,353	11,893	8,246
Jersey	63,512	60,684	57,179
Knickerbocker	61,188	63,710	31,335
Mechts. & Mfrs.	31,598	34,393	25,696
Mercantile	59,021	64,229	67,347
Netherlands	22,806	22,964	30,721
New York Fire	75,441	68,894	49,363
New Brunswick	43,681	40,682	40,294
No. Br. & Merc.	144,533	136,730	165,498
Northern, N. Y.	106,650	91,255	93,941
Pacific	72,141	99,981	87,935
Paul Revere	22,526	19,649	9,182
Pennsylvania	176,998	149,859	147,872
Potomac	49,819	51,019	54,642
Sc. Un. & Natl.	67,215	75,748	71,395
St. of Pa.	46,748	49,164	54,830
Switz. Gen.	982	3,094	...
St. L. F. & M.	15,622	20,285	16,655
Twin City	33,239	25,159	22,513
United Firms.	112,037	101,623	124,919

#### Mutuals

Empl., Wausau.	22,578	11,601	7,852
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### PLANS FOR LIFE MEMBERS

Secretary W. J. Sonnen of the Life Members Society of the Northwest Association in issuing the call for a luncheon for officers and executive committee members Sept. 22 announces any resigned member of the old parent body can be restored and join the Life Members group. At the annual meeting Melvin LePitre, Fire Association, first vice-president, will welcome the new class of life members, and O. D. Wiche, Michigan state agent Phoenix Assurance, will greet the new associate members. W. B. Calhoun of Milwaukee is chairman of the memorial committee. C. M. Cartwright, THE NATIONAL UNDERWRITER, entertainment, and A. F. Powrie, Fire Association, nominating.

The executive committee consists of W. T. Benallack, Michigan Fire & Marine; C. M. Cartwright, J. R. Cashel, Providence Washington; H. B. Doten, manager Monterey Hotel, Janesville, Wis.; W. D. Johnston, Springfield F. & M., Milwaukee; W. H. Lininger, Evanston, Ill.; J. A. McClelland, Great American; P. C. Metzger, London & Lancashire; C. J. Munn, Cook County Loss Adjustment Bureau; A. F. Powrie; W. P. Robertson, North America; W. R. Townley, Chicago.

### INSTITUTE COURSES START SOON

The Insurance Institute courses sponsored by the Chicago Committee on Education will be started early in October and will continue until April. There will be seven courses, including one on general principles of insurance, taking up fire, casualty, inland marine and surety in 36 lectures; two each on fire and casualty insurance, and one each on inland marine and surety. Much greater interest in the courses is reported this year due to many young insurance men being drafted, leaving openings. The old Institute courses in fire and casualty

insurance will be adhered to for another year before taking up the new curricula announced recently by the Institute.

The committee consists of A. T. Graham, chairman; Benjamin Richards, manager Underwriters Service, secretary; E. T. Connelly, Chicago Board, treasurer; W. F. Kuffel, Phoenix of Hartford, in charge of fire and inland marine, and R. E. Baker, Hartford Accident, in charge of casualty.

The courses have been held in Chicago for 33 years. Mr. Graham has been identified with the educational movement ever since the Insurance Institute was started, assisted in preparing the first curricula and was president 1916-18. Mr. Richards was secretary-treasurer 1914-19.

### INSURANCE AVIATORS

Among the most avid of the fliers in Chicago is a group of four young insurance men who recently formed a syndicate and purchased a Piper Cruiser, which is garaged at the Ravenswood Airport. The members of the syndicate are Arthur Norden, B. W. Roos, and Theodore Loeb of Associated Agencies and Ray Norden, assistant Chicago manager of Aero Insurance Underwriters. Arthur Norden has been flying since 1936 and is licensed. The other three are now working to get private licenses. Arthur Norden and Mr. Roos look after the aviation insurance business of Associated Agencies. This agency has one of the largest aviation insurance businesses in the country. They insured the Chicago air maneuvers at Elmhurst Airport recently. This was the first national air meet that had been held in Chicago since 1934.

### GRIFFIN, INGRAM ATHLETES VIE

The annual outing of the Griffin, Ingram & Pfaff agency, Chicago, held at the Pistagua Hills Country Club, uncovered real athletic talent. Outstanding was Lew Waldron, who captured the open golf championship with a round of 70, one under par. The office champion was Fred Sextro, the veterans' champion was Bob Gniffke, and Bill Amstein won the high score prize. Maurie Callaghan was cited for turning in the best exhibition in the golf driving contest.

Baseball awards went to Ed Faltyssek for the best offensive play and Ed Fendt for the best defensive play. A certain number of non-golfers seceded from the group and went fishing in nearby Pistagua Bay. For an outstanding catch, Carl Spahn was named fishing champion. Mr. Waldron, chairman of arrangements presided at the banquet at which the various prizes were awarded.

### ALPHA CHI EPSILON REUNION

Alpha Chi Epsilon, professional fire insurance fraternity which at one time had chapters at Northwestern University and at Columbia University in New York, will hold its 1941 reunion Nov. 8 in Chicago.

Reservations are being made for about 65, which represents approximately half of the membership of the alumni group, now scattered well over the country. The program consists of attending the Northwestern-Indiana football game on Saturday afternoon, and a banquet that evening. The fraternity usually has one or two prominent men in the insurance

business who speak at the banquet, and it is planned to arrange this for the reunion in November.

In charge of arrangements are Robert F. Dilly, mill and elevator department, Hartford Fire, chairman; Richard Schipper, special agent of North America, and Harry Forrey, special agent for Fire Association, all of Chicago. Mr. Dilly is president of the fraternity. The group will meet once every two years, and so far has always met in Chicago because of its central location.

The group is trying to maintain an active organization in case the companies again start the fire insurance courses. The courses were originated in 1924 by the companies, largely as the result of effort by the late J. V. Parker, manager of the Western Actuarial Bureau; C. R. Tuttle, formerly western manager of the North America, and others, to provide a source of trained men of high caliber for the fire insurance business. The course at Northwestern ended about 1935, and the one at Columbia a year later. All but very few of those who took the courses have remained in the insurance business. A few of them are agents, the majority of them occupy substantial positions with insurance companies.

### ROTHERMEL TO MOORE, CASE

Charles T. Rothermel, Jr., nephew of Samuel Rothermel of the firm of Moore, Case, Lyman & Hubbard, Chi-

cago, has joined that agency's life department, which is general agent for John Hancock Mutual Life. Young Mr. Rothermel is a Dartmouth graduate.

### ADJUSTMENT BUREAU CHANGE

E. A. Henne, vice-president of the America Fore group, has been elected vice-president of Western Adjustment. He takes the place of George H. Bell, who retired recently as western manager of National Fire. L. R. Hanawalt, associate western manager of National, has been elected a director, taking the place of Mr. Bell.

### Eliassen Slated in Cleveland

At the annual meeting of the Cuyahoga County Board of Underwriters in Cleveland, Monday, "Obligation of the Insurance Man to Changing Conditions" will be the subject of an address by R. A. Eliassen of the Loyalty group.

## REJECTED RISKS

How to compute an inland marine rate, as suggested by a fire underwriter—take the 80 percent coinsurance fire rate and deduct 10 percent for each marine peril assumed.

CONVENIENT

TO THE BUSY AGENT

FREE

This booklet of nearly 100 pages will be sent to AGENTS and BROKERS upon written request.

NEW and completely revised, "OCEAN AND INLAND MARINE INSURANCE—1941" is a boon to the busy Agent. Written by experienced specialists in this class of business, it describes concisely and authoritatively more than forty kinds of insurance. Especially useful for selling, it is designed this year to include the following:

#### PHYSICAL ADVANTAGES

"Speed Index" for ready subject-reference... die-cut pages pointing the way instantly to desired item at pressure of the thumb.

Discussion of each policy arranged in uniform, logical sequence, showing at a glance, what is covered—how insured—cost—who are the prospects.

Compact pocket-size, with rounded corners... covers protected by laminated acetate.

#### SALES-AID FEATURES

Policy-coverages and exclusions reduced to quick-reading outline form... actual clauses quoted only where essential.

Rate and premium information clarified and simplified... useful tabulations of typical premium costs shown for several classes.

Written from the Agent's viewpoint... emphasis on selling, as well as underwriting data. A comprehensive prospect list included.

Write our nearest office for your copy

## MARINE OFFICE OF AMERICA

WESTERN DEPARTMENT  
INSURANCE EXCHANGE BUILDING · CHICAGO

NEW YORK · CHICAGO · NEW ORLEANS · SAN FRANCISCO · SEATTLE  
ATLANTA · BALTIMORE · BOSTON · CLEVELAND · DALLAS · DETROIT · HARTFORD · HOUSTON  
LOS ANGELES · PHILADELPHIA · PITTSBURGH · ST. LOUIS · STOCKTON · SYRACUSE

All Classes of Ocean and Inland Marine Insurance



**COMPETENT GIRLS**  
WITH INSURANCE EXPERIENCE

Furnished by  
**TANNER PERSONNEL SERVICE**  
(Office Boys Available)  
**THE FIELD BUILDING**  
CHICAGO

Bufile 1051      Franklin 9892

**FOR SALE**  
COMPLETE SET OF  
CHICAGO AND COOK COUNTY  
SANBORN MAPS  
(Corrected as of May, 1941)

EXCELLENT OPPORTUNITY. MAY  
BE PURCHASED AT A VERY  
REASONABLE PRICE.

Call Harrison 0633  
**MISS ROEDA**  
Rm. 1723, Insurance Exchange  
Chicago, Ill.



## Mutual Institute Draws Large Crowd

CHARLOTTE, N. C.—The Institute of Fire Insurance of the American Mutual Alliance opened here with a capacity enrollment of 300, predominantly agents and their employees. There were a number of registrants from outside the southeast and a sprinkling of mutual company officials.

The program included four university professors, Drs. R. H. Blanchard, Columbia University; J. M. Keech, Duke University; C. A. Kulp, University of Pennsylvania, and F. A. Russell, University of Illinois. J. M. Eaton, Chicago, assistant general manager American Mutual Alliance, was director of the institute and Ambrose B. Kelly, who has just left the staff of that organization to become secretary treasurer of American Mutual Reinsurance, conducted the discussion periods after each lecture and the "refresher" session which preceded the examination.

There was only one change from the announced program. E. V. Thompson, St. Louis was unable to appear as a technical adviser because of a sudden illness. H. H. Murray, Jr., Raleigh, replaced him and made a decided hit with the group.

## Insurance Men Address Fire Chief's Convention

A number of leading insurance men spoke at the convention of the Pacific Coast Association of Fire Chiefs in Reno. Discussions centered mostly on emergency conditions due to war overseas and other hazards being developed through the stepping up of industry in the preparedness campaign.

Among the speakers were M. K. Rouse, chemical engineer Pacific Board; L. S. Bush, chief engineer of the board, who spoke on emergency protection in army and navy facilities; Herbert Raines, National Board, "Windstorms and Their Effect on Fire Department"; Capt. W. A. Groce, National Board, Seattle, "Preparedness"; Percy Bugbee, National Fire Protection Association, current developments in fire control, and Jay W. Stevens, National Board, San Francisco, association secretary, organization developments in meeting the newer conditions.

Other papers presented by chiefs of fire departments and technicians of various organizations included traffic at fires, protection of lumber mills, gas masks, oil fires, building codes, fire-works, disaster plans, by Thomas Larke, Jr., San Francisco broker, who is chairman of the Disaster Relief Commission, San Francisco chapter of American Red Cross; incendiary bombs, by Chief Herbert Scott, London, Eng.; defense organization, by Earl Warren, attorney-general of California; petroleum gas and transportation of munitions. There were special demonstrations of equipment, fire control devices, etc.

## Flanders' Address Cancelled

Ralph E. Flanders, president of Jones & Lamson Machine Co. of Springfield, Vt., who was scheduled to address the annual meeting of the Vermont Association of Insurance Agents, finds it is impossible to carry out the arrangements because of engagements connected with national defense work.

## Conduct Richmond Evening School

RICHMOND—D. L. Coulbourn, Virginia state agent of National of Hartford, and F. A. Goodridge, well-known local agent of Richmond, will be in-

structors in an insurance school to be conducted at the evening school of business administration of the University of Richmond, opening next week. They will conduct classes the first semester on inland marine insurance. The second half of the session will be devoted to insurance law. Last year instruction was given in fire insurance.

## Ray & Co. Outing Friday

The annual outing of the W. P. Ray & Co. general agency of Indianapolis will be held Friday afternoon at the Indianapolis Country Club. It is expected that about 100 will attend, including a number of home office representatives and local agents from out in the state. There will be golf and other forms of entertainment followed by a dinner.

## Thornburg in Iowa Field

C. K. Thornburg, who has just been named special agent in the Iowa farm department for Home of New York under C. S. Cathcart, farm state agent, is new in the insurance business. He is a nephew of Mark Thornburg, Iowa state secretary of agriculture, and is a graduate of Iowa State College. His appointment gives the farm department of Home three men in the state.

## Underwriters Laboratories Offers Prevention Movie

Underwriters' Laboratories have prepared two movie trailers for the use of local agents associations or other civic organizations in theaters of their cities during fire prevention week, Oct. 5-11. Explanatory literature has been sent out to a number of agents together with cards on which requests for the films may be addressed.

It is felt that the movies will improve the effectiveness of fire prevention week campaigns and that agents will have little difficulty in getting theater managers to run the trailer as a public service. There is a place in each film for the name of the sponsoring association, enabling it to get considerable publicity while giving the public a message of value.

H. N. Shedd, manager of the eastern division of the National Automobile Underwriters Detective Bureau, became aware that Monday of this week marked the 25th anniversary of his connection with the organization, when he found his office decorated with handsome floral tributes presented by staff members, and through the receipt of many messages from company officials and others.

## Jottings at Hershey Rally of Insurance Ad Men

Sunday evening members of the Insurance Advertising Conference at their annual meeting in Hershey, Pa., were entertained by Jacques Romano, internationally known mentalist and master of occult lore. He expounded the philosophy of the ancients and his own use of it. In addition to performing magical card tricks, Mr. Romano delved slightly into the mystical and held a short spiritual seance.

Membership Chairman Sidney C. Doolittle, Fidelity & Deposit, reported a gain of 18 new members in the past year, bringing the total to 108.

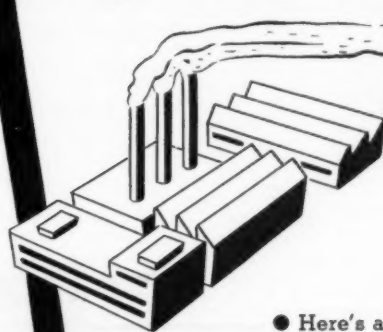
David C. Gibson, retiring president, has received the thanks of the entire conference for his excellent administration during the past year.

The desire has been expressed time and again in informal discussions during the convention of the Insurance Advertising Conference that the company executives would attend these meetings so that they could gain firsthand knowledge of the problems of advertising managers and the goal toward which they are striving.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

# Help Prospects

# PROTECT PRODUCTION



## As Well as Property from Fire Loss



● Here's a practical way of showing prospects and customers your genuine interest in their problems. Pass along the word on CARDOX, the fire extinguishing system that protects production, no less than buildings, from the delays caused by fire and after-fire clean-up.

CARDOX uses carbon dioxide as the extinguishing medium—the inert gas with remarkable fire-killing properties that causes no damage to equipment or buildings—in a more effective way than ever before possible. It makes this gas available in virtually unlimited quantities to handle any hazard and it discharges the gas at below zero temperatures for greatest extinguishing effect.

For the details on these and other points, send for the latest CARDOX Data File—and make it a point to suggest a thorough investigation of CARDOX by your prospects on your next call.

## Is Yours the Latest CARDOX DATA FILE?

● This up-to-date compilation of CARDOX data includes UNDERWRITERS' LABORATORIES REPORTS in addition to a complete explanation of the CARDOX System together with information on the most recent tests and demonstrations.

Send for your Copy Today

# CARDOX

The Non-Damaging Fire Extinguishing System

CARDOX CORPORATION · BELL BUILDING · CHICAGO



## WISCONSIN FIELDMEN:

Modern Private office with secretarial service; downtown Milwaukee. Call MARQUETTE 1150.



## Need Ads to Make and Hold Market

(CONTINUED FROM PAGE 3)

In the meantime, Mr. Gibson stated, there is a constant flux in today's insurance market and the immediate issue is to hold the market created by continuous advertising, by maintaining friendly relations through other contacts and keeping the agents on their toes.

"Selective service has taken out of civilian life and employment many insurance buyers. There has been a wholesale shifting of families from one locality to another which must be promptly followed up or freshly solicited for insurance. There is a vast new army of insurance buyers, created by defense activity, which has recruited men from the army of unemployed and put them in the class of substantial wage earners. Another factor to be considered is the effect which increased income taxes next year and thereafter will have on the middle bracketed salaried man, who, generally speaking, has provided the bulk of insurance sales.

"I hope that our industry will employ advertising to the fullest as a form of business insurance, to the end that our agents, our services, our product, and our favorable relations with the public may be preserved intact."

### PANEL DISCUSSION

A panel discussion was held on closer cooperation between the advertising departments of companies and their agents. Guy Warfield, Jr., president Maryland Association of Insurance Agents, who was to have led the discussion, was unable to be present because of an injury suffered Saturday when he fell during a baseball game and fractured an arm and his left shoulder. Robert E. Brown, Jr., Aetna Casualty, read Mr. Warfield's paper.

One of the points discussed was the use of sales letters, which are of value, in Mr. Warfield's opinion, if for no other reason than they keep the name of the company and agency before the prospect. To be effective these letters should be brief and should be sent out consistently and persistently.

### Makes Use of Photography

In a campaign for combination residence policies, Mr. Warfield told how he selected 75 names, sent photographers to take pictures of the prospects' homes and then mailed the negative with a letter to the respective owners. This was followed by a personal call a few days later presenting the finished print as well as a presentation of the coverage afforded by the policy.

Another point brought out in Mr. Warfield's paper was the importance of keeping clients advised of all lines written by the agency. He urged advertising departments to do a better job of selling the material to agents and giving full instructions on how to use it.

Leonard Dakin, Rochester, N. Y., local agent, said a source of new busi-

ness seldom solicited is the working-man who needs insurance and never has thought he could afford it. His agency devised a plan of weekly or monthly payment for this class of business which has worked out successfully and the agency's loss ratio for the first six months of this year has been the lowest in its history.

William Detweiler, Middletown, Pa., local agent, discussed the relationship of advertising literature to sales. He has found personal distribution of this material to be almost 100 percent effective. Good advertising material inevitably lowers sales resistance, particularly where color and pictures are employed.

This subject also was presented from a field man's point of view by Allyn Crooker, Fidelity & Deposit, Philadelphia, who stated a field man's road to success is paved with effective advertising. He likened advertising to the blockers in a football game, and said that when there is no "interference" there is no touchdown, and where there is not effective advertising, there are no sales. What people need today more than ever is security and peace of mind, he said, and that should be the avenue of approach for insurance. He urged better personalization of a company, timeliness in subject matter and a closer cooperation between advertising manager and field man.

### Author on Human Interest

The luncheon speaker was George Malcolm-Smith, Travelers, author of "Slightly Perfect." There is greater human interest in the insurance business than any other industry, he said, and deplored the fact this is not capitalized on. To prove his point, he told several stories of claims which have come into his office.

Monday afternoon there was a sight-seeing tour of Hershey, the chocolate factory and industrial school as well as a hidden handicap golf tournament. The president's reception and dinner was Monday night.

### G. W. Scott is Heard

George W. Scott, educational director National Association of Insurance Agents, spoke on the coordinated national educational program which is being worked out and will be presented for approval at the annual convention next month. He said that one of the difficulties at present is that in nearly every state there are short courses or forums or one day sales plans which are all in different stages of development. The response of agents to these educational programs shows their desire for more knowledge. The standard of the rank and file of agents must be raised because the incompetent man can unsell the public quicker than the well informed agent can sell it. However Mr. Scott said, this cannot be done

overnight. It takes time to work out a satisfactory plan and coordinate it with those already in operation. He pointed out the fact that the C. L. U. has been in existence 14 years.

Mr. Scott said that the material supplied by the educational committee of the I.A.C. headed by Charles E. Freeman, has been of great assistance in forming a basic program. This course is designed to help the local agency plan its advertising and public relations work. It is divided into three sections. One is devoted to the need for advertising, another to the advertising problems of the local agent and the third discusses the proper planning and ex-



Charles E. Freeman

ecution of a public relations program.

Mr. Freeman, in giving his report, said that each insurance representative is daily affecting the reputation of both himself and his business in every contact he makes and the public is entitled to understand fully the services rendered by this business. Confidence will be increased in proportion to its greater knowledge. Confidence is affected by everything people hear and see about the individual and the product or service he represents.

Participants in the panel discussion were Ralph W. Smiley, Royal; Earle E. Vogt, Millers National; R. C. Budlong, Globe Indemnity; Frank F. Jorsey, vice-president, Fidelity & Guaranty and R. F. Morrow, "Rough Notes." They displayed examples of their companies' sales and advertising material.

R. K. Wood, manager of "Fortune" magazine, in a luncheon talk on public opinion and the relationship of corporations to it, declared that the fire and casualty business is a peculiarly difficult

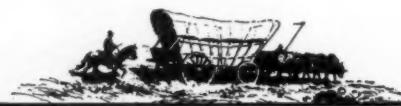


## Meeting the Need

For more insurance protection because of increasing values . . .

For broader insurance protection because of increasing perils...

This organization's services are geared to modern business requirements, offering agents and their clients the best insurance protection available.



## THE SPRINGFIELD GROUP

WALTER B. CRUTTENDEN, President

SPRINGFIELD FIRE & MARINE INSURANCE COMPANY . . . SPRINGFIELD, MASS.  
CONSTITUTION DEPARTMENT . . . SPRINGFIELD, MASS.  
SENTINEL FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.  
MICHIGAN FIRE & MARINE INSURANCE COMPANY . . . DETROIT, MICH.  
NEW ENGLAND FIRE INSURANCE COMPANY . . . PITTSFIELD, MASS.

## OF FIRE INSURANCE COMPANIES



## Stock Insurance Agents

ADVOCATES OF  
AMERICAN PREPAREDNESS



THERE MUST BE NO IDLE HANDS! Every available skilled mechanic . . . every piece of machinery in operation . . . is being called upon to speed American defense! Hands must be kept at vital tasks if production is to attain maximum efficiency. Following the work itself in importance is the guarantee that it will continue! ¶ Stock insurance agents must be on the alert to contribute to this enormous job. Their responsibility is to make certain that manufacturers are adequately insured against risks that cause delays and idle hands!

**Eagle Star**  
Insurance Company Ltd.  
90 John Street, New York

one to put across to the public. As a business it has what he calls "a very low visibility for the ordinary citizen." The citizen does have opinions for or against single corporations such as General Motors, General Electric, Bethlehem Steel, Ford, etc. The citizen has opinions about whole industries such as chemicals, autos, banking, etc. But very few persons, without prompting, volunteer an opinion on the casualty insurance companies.

Mr. Wood said that the casualty companies in recent years at least have made the business community aware of their existence and that is a fine first step. But the casualty business has not yet received enough recognition either favorable or unfavorable on the part of the public "to give you any steerage way."

For the next few years, he asserted, it will be important for any industry of any size or standing to have enough recognition from the public so that the public has some opinion about it. All the better if the first bow on the stage of public opinion of that industry can be a favorable one under circumstances chosen by the industry itself and not forced by congressional investigation. This introduction will be successfully made only if the industry first decides to make some change in its practices, however good those practices may now be and to make changes of a sort that the public will recognize as affecting their own interests. Then and then only, will publicity have any real value. "The time to crow is after you've laid the egg," he concluded.

## SMUG COMPLACENCY

**H. K. Dugdale Chides Insurance for Attitude Towards Broad National Consumer Advertising**

"The smug complacency of many home office executives as expressed in their attitude towards broad national consumer advertising is more noticeable and more alarming in your industry than in any of the large industries with which we advertising agency men have frequent contact." This strong statement was made by H. K. Dugdale, executive vice-president of Van Sant, Dugdale & Co., at the meeting of the Insurance Advertisers Conference at Hershey, Pa.

Mr. Dugdale said that business men in all lines have the notion that advertising is not suited to their business, but the insurance executive, more than any other, holds firmly to such opinion. As a matter of fact, he contended, the

right kind of consumer advertising can be made to prepare the way for greatly increased sales. It must be what he termed "two-fisted selling copy, not just pretty institutional advertising to impress the directors."

## Problem Is Fundamentally Same

He asserted that, fundamentally, making a sale to an ultimate consumer of insurance is no different than that in the manufacturing or mercantile fields. The selling problem of insurance is to persuade as many people as possible to buy as many of the company's forms of coverage as possible, in adequate amounts and to prefer that company's specific coverage through its agents.

There still is a tendency on the part of some agents of the old school, he said, to deprecate company advertising on the theory that it might gradually lessen the control of the market by the agents. This is directly contrary to the attitude of agents and dealers in other lines, he declared.

Insurance, he declared, is a notoriously indifferent user of advertising. Too much insurance advertising is planned and written to be read by insurance men rather than by the buyer, he declared. In other lines the advertising is planned with primary consideration of the consumer. Wholesalers and dealers are told about the advertising campaign before it appears, through collateral advertising and selling effort in trade journals, by direct mail, etc.

## Unappetizing Array

"Unfortunately, perhaps," he declared, "your business of necessity was conceived and born in a welter of dollar signs, legal phraseology and merciless statistics—a most unappealing and unappetizing array, so far as the public generally is concerned." The advertising, therefore, has borne a family resemblance because it has had to pass the approval of company executives. The advertising has to be humanized. People do not want to buy insurance and it can be sold only by telling them over and over again and making them believe that this type of insurance or that type will solve some human problem or some practical business problem with which they are confronted.

The best way to secure more cooperation and better coordination between advertising and selling ends of insurance, he asserted, is to divorce the advertising and sales promotional work from the officials who are too close to the business and put more responsibility in the hands of selling and advertising executives who know the psychology of the buyer and who understand the

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Sept. 8, 1941.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	4.50*	127	132
Aetna Fire ....	10	1.80*	56 1/2	58 1/2
Aetna Life ....	10	1.40*	29	30 1/2
Amer. Alliance ..	10	1.20*	24	25 1/2
Amer. Equitable ..	5	1.00	21	22 1/2
Amer. Home ....	10	...	7	8
Amer. (N. J.) ...	2.50	.60*	13 3/4	14 3/4
Amer. Surety ...	25	2.50	50 1/2	52 1/2
Automobile ....	10	1.40*	38	40
Balt. Amer. ....	2.50	.40*	7 1/4	8
Bankers & Ship. ..	25	5.00	95	98
Boston ....	100	21.00*	635	655
Camden Fire ....	5	1.00	21	22 1/2
Carolina ....	10	1.40*	30	32
Contl. Cas. ....	5	1.50*	32	33 1/2
Contl. N. Y. ....	2.50	2.20*	44 1/2	46
Fidelity-Phen. ...	2.50	2.20*	44 1/2	46
Fire Assn. ....	10	2.50*	75	77
Firemen's (N.J.) ..	5	.40	10	11
Franklin Fire ...	5	1.40*	30	32
Gen. Reinsur. ...	5	2.00	43	45
Georgia Home ...	10	1.20*	26 1/2	28
Glens Falls ....	5	1.60	43 1/2	45 1/2
Globe & Repub. ..	5	.50	10 1/2	11 1/2
Gt. Amer. Fire ...	5	1.20*	29	30 1/2
Gt. Amer. Ind. ...	1	.20	10	12
Halifax ....	10	1.00**	11 1/2	13
Hanover Fire ...	10	1.20	29	30 1/2
Hartford Fire ...	10	2.50*	90	94
Home Fire Sec. ...	10	...	1 1/2	2 1/4
Home (N. Y.) ...	5	1.60*	32 1/2	34
Ins. Co. of N. A. ..	10	3.00*	79	82
Maryland Cas. ...	1	1.20*	3 1/2	4 1/4
Mass. Bonding ...	12.50	3.50	62	64
Mer. (N.Y.) Com. ..	5	2.00*	53	55
Natl. Cas. ....	10	1.00	32	34
Natl. Fire ....	10	2.00	64 1/2	66 1/2
Natl. Liberty ...	2	.40	7 1/2	8 1/2
Natl. Un. Fire ...	20	5.00*	160	166
New Amst. Cas. ...	2	.87 1/2	20	21
New Hampshire ...	10	1.80*	47	49
Northern (N.Y.) ..	12.50	5.00*	100	104
North River ...	2.50	1.00	26	27 1/2
Ohio Cas. ....	5	1.40*	41	43
Phoenix, Conn. ...	10	3.00*	92	95
Preferred Accl. ...	5	1.00	16	17
Prov. Wash. ...	10	1.40*	38	40
St. Paul F. & M. ..	62.50	8.00	260	266
Security, Conn. ...	10	1.40	39 1/2	41 1/2
Sprgfd. F. & M. ...	25	4.75*	129	133
Standard Accl. ...	10	2.50	52	54
Travelers ....	100	16.00	415	430
U. S. Fire ....	4	2.00	53	55
U. S. F. & G. ....	2	1.00	25 1/2	26 1/2

\*Includes extras.

human appeal necessary to induce the buyer to act.

He recalled that in other days automobile advertising emanated from Detroit and it was dull and monotonous, containing a lot of technical jargon. Now automobile advertising is prepared along the same fundamental lines as that for soap, toothpaste, cigarettes or any other commodity.

The right kind of consumer advertising, he contended, can be a potent force in uncovering and developing the potential market that exists and the increased sales would bring about a reduction of acquisition costs.



# You are Agents of Production, too,

because today, industry going full speed, needs the protection you and we can give it... needs sound advice that anticipates losses before they happen... needs experience that prevents, as well as protects, against delay and damage.

We, of the Sun, support our agents with the facilities that have successfully solved the problems of insurance in times of national emergency even before the French-and-Indian Wars! Agents may count on this, the World's Oldest Insurance Company, for swift service and proper protection at all times.

FOUNDED 1710

**SUN**  
**INSURANCE**  
**OFFICE**  
LIMITED

PATRIOTIC INSURANCE CO. OF AMERICA  
SUN UNDERWRITERS INS. CO. OF N. Y.  
SUN INDEMNITY CO. OF N. Y.

NEW YORK: 55 Fifth Avenue  
Chicago: 309 W. Jackson Boulevard  
San Francisco: Swett & Crawford, Gen'l Agts.

When the services of a skilled insurance agent are enlisted in planning proper insurance coverage his job has only begun—throughout the life of the policy he will keep the assured's insurance problems under supervision.

**Globe and Rutgers**  
**Fire Insurance Company**



**American Home**  
**Fire Assurance Company**

Home Office: 111 William Street, New York



## EDITORIAL COMMENT

### Commissioners' Time Consumer

COMMISSIONER MORVIN DUEL of Wisconsin, one of our most observing and studious state supervisors, made an interesting statement when he said that 90 percent of his time is consumed in supervising 10 percent of the companies operating in his state. Most companies supervise themselves. They do not require a state official to watch their movements. As the Wisconsin commissioner expressed it, "We do not know they are operating in the state so far as complaints are concerned."

Well ordered companies, manned by competent and conscientious officials, with whom the directors are in accord, have no desire to take any advantage of policyholders. They seek to do the fair and right thing. They want claims and all honest obligations settled in the correct way. They have a pride in this reputation. They realize that adjusters are ambassadors of good will. In cases of this kind, the commissioner is seldom brought into the picture.

The companies that he has to watch are those just able to meet the statutory standard of solvency. To attract agents,

they must pay excessive commissions and to enable the agents to secure business, rates must be cut to the bone. For the most part the officials exploit their companies. They try to get what they can before the collapse actually takes place. They introduce deceptive methods and trick policies.

Naturally such companies attract agents of their own kidney. In order to break even claims must be scaled and every possible advantage taken. Thus company officials, agents and claim men work in harmony. They are tarred with the same stick. They seek to keep just within the law but violate it if they think they can conceal their acts. These are the boys that the commissioners have to watch like a hawk. Their goings and comings are in the dark. Oily and unconscionable attorneys are employed. Many complaints are received and have to be investigated. All this consumes time. When ethics are concerned and where officials seek to dodge every responsibility, state supervision is no sweet job for the head of an insurance department.

### A Word for the Receptionist

SOME time ago Vice-president C. C. Hannah of the Fireman's Fund while in Chicago paid a visit to W. A. Alexander & Co. Ushered into the office of President Wade Fetzer, after greetings had been exchanged, Mr. Hannah said, "I want to tell you what a splendid impression the girl that receives callers as they step off the elevator leaves. She was artistic in her work, she knew just what to say, not too much, not too little. I felt that I was welcome to your office, that you would be glad to see me."

We overlook the importance of the girl or boy at the entrance gate. That

person holds a very responsible position. The caller receives his first impression of an office at the gate from the person who meets him. Such a one needs to be a diplomat, a student of human nature. At times, it is necessary to shift the caller to some one else than the office executive. That requires skill.

When any caller seriously calls at the office its prestige is increased or decreased by the manner he is received. If the welcome is hospitable and cordial, he carries with him a friendly sentiment. The person at the gate or counter should be a creator of good will.

### No Rate Increase in War Times

In this country the rate level has been on the constant decline for many years. This condition has affected the income of companies and agents. Here and there we hear it whispered that there should be an advance, particularly in case of certain industries because of war conditions and the creating of vast defense projects. The whisper especially concerns use and occupancy rates, attention being called to the uncertainty of getting material, parts and machinery and the possibility of heavy losses in

view of peculiar conditions at the present time.

A surcharge was voted during World War No. 1, company officials believing that hazards would be greatly accentuated. As a matter of fact, abnormal conditions did not materialize to any extent. We are confronted with like problems today.

Very positive was President C. H. Smith of the Western Underwriters Association in his address before its annual meeting, in saying a rate advance in

present conditions "is not justified and moreover is unthinkable." He acknowledged that war or defense preparations will increase insurance expense but he opined that there are competitive wastes that can well be eliminated.

### Never in Standstill Stage

LET US not lay unction to our souls that we can be in the standstill stage. A person either goes forward or backward. He develops strength or weakness. When one stands still he just about ceases to exist. A person either grows or he shrinks. He becomes more useful

If there be intelligent underwriting, especially in connection with use and occupancy, we see no danger of abnormal losses. President Smith's pronouncement has done much to clear the atmosphere.

or less useful. He finds himself more successful or less successful. Everyone has the elements of growth in him and if he does not cultivate them he begins to decay and gradually withers up entirely. Where there is no progress there is a decline.

## PERSONAL SIDE OF THE BUSINESS

Austin R. Mathews, vice-president and secretary of the Meserole companies, and Mrs. Arthur A. Gross of Milwaukee, were married the other day in ceremonies at the bride's home. Mr. and Mrs. Mathews will make their residence at Greenwich, Conn. They were classmates at the University of Wisconsin, but had not seen each other until last June at the time of their 25th class reunion at Madison.

A. G. Chapman, veteran Louisville local agent, has left for Hot Springs, Ark., where he plans to spend several months and probably make his future home, following a long period of illness. His son, James Chapman, has succeeded him as head of the Chapman Insurance Agency. He was formerly with the agency, and for several years has been in adjustment work.

Harold E. Taylor, sales promotion manager of American of Newark, has composed a song, "Protectors of Defense," which is to be sung at the banquet of the New Jersey Association of Insurance Agents Sept. 25 in Asbury Park, during the annual convention there. Mr. Taylor composed the song especially for the New Jersey association. This is not his first venture in the field of harmony which has been heard by insurance gatherings.

E. J. Young, retired North British field man, is confined to the Tacoma (Wash.) General Hospital where he underwent an operation. His left eye was removed. He was retired by the North British over 10 years ago and was one of the best known field men in the Pacific Northwest.

Gerald H. Loomis, assistant examiner in the fire special risk department of the Aetna Life affiliated companies, observed his 25th service anniversary. Mr. Loomis started with the Standard Fire in the statistical department. He has taken an active interest in the Insurance Institute of Hartford and in 1936 and 1937 was vice-president in charge of the course on fire insurance. He was elected president of the institute in 1937 and was reelected in 1938.

Charles Priestman, secretary Ontario Fire & Casualty Insurance Agents Association, will be 75 on Oct. 14 and despite the fact that he will be occupied with last-minute preparations for the association's annual convention in Toronto Oct. 16-17, he plans to celebrate his natal

day by walking 25 miles. As usual, his jaunt will be from Toronto to Oakville, and he hopes to complete the trip in less than six hours.

C. J. Malcolm of Toronto, the new most loyal grand gander of the Blue Goose, was born at Rosebank, Man., in 1896. He worked in his father's insurance agency at Red Deer, Alta. During the first war he served overseas with the 10th Canadian Infantry Battalion. After that, he returned to his father's agency.

In 1921 he became special agent for Aetna Fire in Alberta. In 1929 he went to Toronto to assist Manager R. H. Leckey for the Aetna Fire as special agent. Aetna Fire opened its Canadian department in 1939, which is now the head office for Canada. Shortly after this, Mr. Malcolm was promoted to assistant manager.

J. Gilbert Leigh of L. B. Leigh & Co., Little Rock general agents, will serve as chief officer of the Arkansas Civil Defense Flying Service, formed at the instance of Governor Adkins to replace the 154th Observation Squadron, now in army service. Local units or flights of eight or more licensed pilots will be formed. Mr. Leigh who has held a pilot's license for a number of years, is chairman of the Arkansas Dawn Patrol, civilian flying group which meets monthly.

Paul B. Sommers, president of American of Newark, has been elected head of the Newark Community Chest campaign, which will open Oct. 16. Among his associates on the committee are John R. Hardin, president Mutual Benefit Life; Col. Franklin D'Olier, president Prudential, and Chester Barnard, director of American of Newark.

Frank H. Hardison, for many years Massachusetts commissioner and since his retirement insurance counsellor for the Liberty Mutual, observed his 92nd birthday the past week.

Edward M. Skowrup, son of A. P. Skowrup, retired Wisconsin state agent of Great American, has been appointed general manager of the Importaciones Automaticas Electricas of Bogota, Colombia. He is a graduate of Dartmouth and the business administration school at Harvard.

Howard A. Reynolds, joint manager of the Home group in San Francisco,

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"Jack, meet Miss La Oomph, who I was telling you needs some coverage!"

stopped over in Denver on his return from the Blue Goose grand nest meeting to confer with officers of the Colorado pond regarding plans for the 1943 convention in Denver.

**E. H. Richardson**, Indiana state agent of the Phoenix of Hartford group, underwent an operation at the Methodist hospital in Indianapolis Monday and is reported as making good progress toward recovery.

**Guy E. Williams**, for the past 4½ years deputy insurance commissioner and fire marshal of Arkansas, has opened offices in the Union Life building in Little Rock for the practice of law.

**Percy Wesley** of the Western Actuarial Bureau returns next Monday from a circle tour of the far west.

## DEATHS

**J. O. Brooks**, 40, partner of the insurance firm of Brooks & Luellen and president of Mutual Insurance Agents Association of New York, died at his home in Irondequoit, N. Y. He was engaged in insurance at Rochester, N. Y., for several years.

**Robert E. Thornburg**, secretary of the Thornburg agency of Huntington, W. Va., died. He was a business partner and cousin of C. W. Thornburg and had been engaged in the business in Huntington for about 25 years.

**Otis B. Chatfield**, 36, Atlanta, manager American Reserve, was found dead from gunshot wounds, the evidence pointing to suicide. A shotgun and note to his wife were found near the body. He was one of the youngest managers in the Southwest, and an expert on reinsurance. He was an honor student and lecturer in the Atlanta insurance courses the last few years, and was held in high esteem. He was enjoying good progress in his business, and his many friends are at a loss for a reason for the tragedy.

**Frank A. Riedmueller**, 49, secretary-treasurer of the Rebholz, Riedmueller & Thielecke, Milwaukee agency, died at his summer home at Wind Lake, Wis.

**Mrs. Louise J. Frey**, 53, wife of Irvin E. Frey, Wisconsin state agent for the Firemen's group, died in Milwaukee after an illness of eight months. Mrs. Frey was a past treasurer of the wom-

en's auxiliary of the Wisconsin Blue Goose. Her husband is a past most loyal gander, secretary of the Wisconsin Insurance Club and past president of the Wisconsin Fire Prevention Association.

**D. F. Morin**, 72, Springfield, Mass., agent for 30 years, died.

**Herbert A. Harmon**, 77, veteran Portland, Me., agent died. He established his own agency in 1885, four years after he entered the business. He had represented the Fireman's Fund since 1885 and the American of Newark since 1887. He was the first representative of the Boston when it entered the state in 1896.

**Arthur J. Vyse**, vice-president Lyman, Richie & Co., Chicago, died in Miami Beach, Fla., at 66. Mr. Vyse was born in Crystal Lake, Ill., and started as a clerk in the insurance department of Armour & Co. in Chicago, 41 years ago. He then became a broker for Moore, Case, Lyman & Hubbard, Chicago. Making an outstanding production record, Mr. Vyse joined Lyman, Richie in 1908. In 1909, he was admitted to the Chicago Board as a member of the firm.

Mr. Vyse had always concerned himself exclusively with the production end of the business, leaving the social and political sides to those who enjoyed them, and had a fine record to show for his diligence. For the past three years he had been in poor health, staying at his Florida home most of the year.

**John L. Lind**, 69, veteran field man in the middle west, died at his home in Peoria, Ill. His last position, prior to his retirement six years ago, was with Security of Iowa. Since then he had engaged in local agency business. Mr. Lind came to this country from Sweden as a young man after serving as an army officer there. He had been in insurance ever since.

**C. A. Russell**, independent adjuster of Chicago who was known among fire company men as one of the best building loss men in the business, died of a heart attack at his home in New Buffalo, Mich. He had been ailing for a year but conducted his business up to the last. Mr. Russell was about 62, had been an adjuster for the companies for 20 years and entered the fire insurance business over 40 years ago. He was map clerk, examiner and Indiana spe-

cial agent of Connecticut Fire over many years, then connected as staff adjuster with Wagner & Glidden. Mr. Russell had an unusual reputation with the companies as a loss man who could be counted on in difficult cases.

**Mrs. Lillian Rardin**, 66, mother of William Rardin, Ohio state agent of Agricultural, died at her home in Pomeroy, O. She had been in failing health for the past several months. She was well acquainted with many field men and their families in Columbus where she lived for quite a number of years.

**Mrs. Anne C. Mitchell** vice-president and general manager of the St. Paul Insurance Agency, died Tuesday after an extended illness. She was the only woman manager of an agency in the twin cities and the only woman ever to serve on the executive committee of the Insurance Exchange of St. Paul. She had been with the St. Paul agency since 1908.

**H. G. Studley**, 70, for many years with the inspection department of the Massachusetts Rating & Inspection Bureau, died following a long illness at his home in Quincy, Mass. In later years he was an agent in Quincy.

**Mrs. Pearl Warner**, 65, wife of Harry B. Warner, president of the Broadway agency of Aurora, Ill., and former mayor of that city, died after an illness of several months.

**Bert W. Thorne**, 57, Gresham, Ore., of Thorne & Walrad agency, took his life on account of continued ill health.

**Horace Greeley Weese**, 87, for more than half a century an agent at Huntington, Ind., died at his home there.

**Harvey M. Brothers**, 70, adjuster of Hamilton, O., died there.

## CALLED TO SERVICE

**Addison T. Whitt** of the Whitt & Yeager agency, Winchester, Ky., long active in the Kentucky Association of Insurance Agents and now stationed at Fort Benning, Ga., with the 48th quartermaster regiment, has been promoted from second to first lieutenant.

**Emmett S. Hughes**, formerly with Arthur E. Campbell Seattle adjuster, has been called to active duty as a first lieutenant in the army.

**George H. Pratt**, Portland, Ore., manager of the Employers group, has been called to active duty in the army. He will be stationed at Fort Benning, Ga.

**E. Palmer Taylor** of the risk analysis department of Automobile at Hartford is on active duty as a first lieutenant of field artillery attached to headquarters in Boston.

## WHERE TO PLACE YOUR BUSINESS

A guide or directory of responsible and adequately equipped local agents. These offices have nation-wide facilities for handling your out-of-state business.

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Established 1868  
Insurance Exchange Building  
CHICAGO

#### Eliel and Loeb Company

Insurance Exchange  
Chicago

#### FRED. S. JAMES & Co.

Since INSURANCE 1872  
One North La Salle Street  
CHICAGO  
CENTral 7411  
New York San Francisco

#### Marsh & McLennan

Incorporated  
Insurance  
Federal Reserve Bank Bldg.  
164 W. Jackson Blvd. Chicago

#### Moore, Case, Lyman & Hubbard

General Agents  
175 W. JACKSON BLVD.  
CHICAGO  
Wabash 0400

#### ROLLINS, BURDICK, HUNTER CO.

175 W. Jackson Blvd.  
Chicago  
Telephone: Wab. 9600  
New York Seattle

### KENTUCKY

#### GAUNT, HOUSTON & FITZHUGH

General Insurance  
771-781 Starks Bldg.  
Louisville, Ky.

### LOUISIANA

#### LEON IRWIN & CO., Inc.

Established 1895  
General Agents  
New Orleans, La.

### MICHIGAN

#### Detroit Insurance Agency

G. W. Carter, Pres.  
H. L. Newman, Vice-Pres.  
Louis J. Lepper, Sec.-Treas.  
Fisher Bldg. Detroit, Mich.

### MISSOURI

#### Lawton-Byrne-Bruner

INSURANCE  
Saint Louis

### OHIO

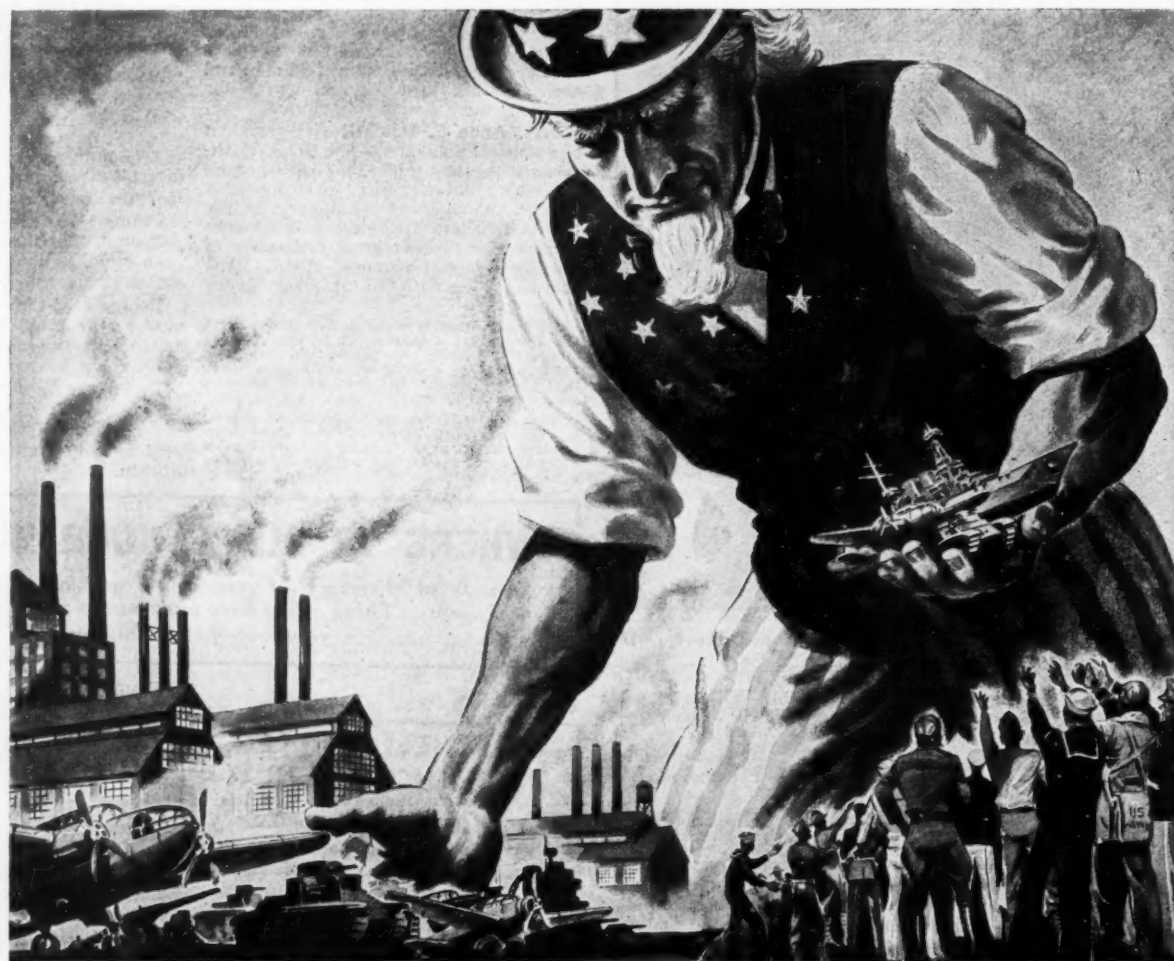
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"Insures Anything Insurable"  
Dixie Terminal Building  
CINCINNATI  
Submit Your Propositions to Us

### WISCONSIN

#### Chris Schroeder & Son, Inc.

210 E. Michigan St., MILWAUKEE  
Engineering Service—All Lines  
The largest insurance agency in the State of Wisconsin



## AS AMERICA ARMS

THE NEED FOR NEW INSURANCE KNOWLEDGE MULTIPLIES



Today, in protecting American industry, insurance men have a vital part to play. These are no times for hit-or-miss solicitation. These are times which demand knowledge . . . knowledge of the scope and functions of the coverages you have available . . . knowledge with which to analyze the needs of a client.

Be prepared! Meet the challenge of changing times. Keep expanding your knowledge . . . through the instruction provided by your company. Your opportunities and your responsibilities were never greater.



Published by the United States Fidelity & Guaranty Company and its affiliate, Fidelity & Guaranty Fire Corporation. Home Offices: Baltimore, Maryland.

### QUIZ

- 1 What casualty insurance is needed by the average defense plant worker?
- 2 What is medical expense coverage under an automobile liability policy?
- 3 A residence theft policy covers theft of personal property from within the residence. Can the policy be written to cover also theft away from the residence?



# Iowa Producers Hold Spirited Rally

## C. P. Jervey Sketches Big U. & O. Opportunity

### Forms and Rates Are Refined to Point of Universal Appeal

Use and occupancy, once considered a very indefinite proposition capable of interesting only exceptional people, may now be widely employed without fear of difficulties in loss adjustment, Charles P. Jervey, assistant secretary Travelers Fire, told Iowa agents. That the way is particularly easy for assured under this cover is indicated by the very small number of cases of U&O losses taken into court for settlement.

While at present there is unquestionably a greater danger of heavy loss in many plants than before the defense program, there are many defense plants in which every effort will be made to get back into business without delay, Mr. Jervey said. Under one circumstance the normal loss might be increased considerably, under the other the same conditions might diminish the loss materially.

### Wonderful Opportunity

While further improvements in forms and handling of U&O can be expected as time goes on, Mr. Jervey stressed the long steps forward which have already been taken. Both forms and rates are such that the agent has a wonderful opportunity to sell U&O covers. Doubtless, the loss experience on manufacturing risks for U&O is much worse than on mercantile properties, but, even so, few agents have taken full advantage of the very low rate levels on both classes, and especially on mercantile.

In soliciting U&O on mercantile, the agent often is dealing with parties who do not own the buildings which they occupy, and the only fire insurance rate with which they are familiar is that applying to the stock. For example, take a brick mercantile building where the

(CONTINUED ON PAGE 33)

## Corn Tassels from Annual Convention at Cedar Rapids

George H. Cockburn, Jr., son of the new executive vice-president of the Iowa Association of Insurance Agents, is currently enroute to the Philippines. Called to active service last December as a lieutenant in the infantry, Mr. Cockburn was attached to the 25th regular infantry, but currently is on detached service. He served at several training camps before sailing Sept. 8 for the Islands. Mr. Cockburn, a member of the Iowa association, joined the Cockburn & Sons agency at Cedar Rapids in 1938 after graduating from Coe College, and after taking some law work at Iowa University.

A number attended the convention from Chicago and Illinois. Representing the Illinois Association of Insurance Agents was President Lyle H. Gift, Peoria, who was taking a look at how a neighbor does it. W. H. Jennings, Jr., Rockford, past president of the Illinois association, was on hand, as was Shirley Moisant, Kankakee.

Mrs. Lillian Herring, secretary of the Illinois association and of the Illinois Insurance Federation, attended the first convention at which she didn't "have to work," and took away ideas to use in Illinois.

Others included Roy Davis, Association of Casualty & Surety Executives; W. H. Hansmann, Fidelity & Deposit; H. N. Douglass, manager of New Amsterdam Casualty, with C. C. Boaz, bond man; Henry Olson, vice-president of First Bancredit Corp., with Willis Van Pelt, associate; William Kirk, western field supervisor North British; L. F. Hawley, vice-president, Newhouse & Sayre.

H. W. Donnan, assistant manager; H. S. McHugh, agency superintendent, and A. E. Englund, Hartford Fire. John W. Reitze, assistant manager, and Charles N. Dubach, superintendent of production, Hartford Accident.

John P. Keveres, resident vice-president, Maryland Casualty.

The fieldmen closed headquarters during the convention sessions and formed an attentive part of the audience for the program.

Arthur Ruhl, Davenport, headed the nominating committee, and was aided by Ed Cady, Burlington, and Frank Hendrix, Cedar Rapids.

One of the most striking "insurance names" in Iowa is that of the Safely Company, operated by Robert L. Robert C., and Frederick A. Safely at Cedar Rapids.

Bringing forth the resolutions were Herman Miller, Waterloo, and Robert C. Safely and William Whipple, Cedar Rapids. The attendance committee was made up of Cedar Rapids agents, R. D. Gray, A. C. Hoblitzell, John Sebetka, and John J. Wagner. L. Rubek, Paul Clark and W. A. Woodward of Cedar Rapids did the auditing.

I. B. Lee, 85 year old agent of Iowa City, was called on by President Jefferies to take a bow, and he did it very spryly.

The Arizona association wired best wishes and asked for ideas for its program for Tucson this fall.

Many favorable comments were heard on the program. Gotten up with an attractive cover in two tones by Sanborn Map Co., the fly leaf read "Insurance Maps of Cedar Rapids, Iowa, Volume One, 1913." On the next two pages are reproduced the 1936 index and map of Cedar Rapids. The program contained a lot of information in addition to the program: Officers and members of the state association, past presidents, local committees, the Cedar Rapids association roster and the Cedar Rapids Women's Association.

Chief Emil P. Kohout and the Cedar Rapids fire department provided an unusual fire prevention display, and offered a \$4 prize for the agent guessing most closely the amount of water pumped by the replica of a pumper which was on display.

Council Bluffs had a strong delegation and made the big bid for the 1942 convention. The hotels and convention meeting room carried a wide variety of posters, and there were printed invitations on every seat when the sessions opened. Theme of all this showmanship was, "Council Bluffs Next!"

H. E. Dubois, superintendent for State Auto of Iowa in Minnesota, drove in to hear his brother, R. L. Dubois of North British, Indianapolis, make his talk. Both are former Iowans, so they were on home grounds.

Some laughs were elicited by the characterizations of Iowa done by A. B. Millard, Grand Rapids, Mich., agent, in the introduction to his talk at Tuesday's luncheon. He pointed out that Iowa produced Vice-president Henry Wallace,

(CONTINUED ON NEXT PAGE)

## Morse Is Elected Head, Cockburn Is Vice-president

### Membership Drive for Forshay Is Successful: Attendance Heavy

#### NEW OFFICERS ELECTED

President—L. E. Morse, Council Bluffs.

Executive vice-president—G. H. Cockburn, Cedar Rapids.

Secretary-treasurer—J. S. Cutter, Shenandoah.

National councillor—B. C. Hopkins, Des Moines.

#### By KENNETH FORCE

CEDAR RAPIDS, IA.—With good crops and good prices in the background and one of the state's own sons well in the foreground of the national insurance picture, the 35th annual convention of the Iowa Association of Insurance Agents here turned out to be one of the most pleasant in years.

Only rain, which practically isolated the city, prevented registrations from equaling the record at Des Moines last year. Even so, they went to 425, one of the largest on record.

The vigorous drive of the association since June 13 for a membership of 500 to honor R. W. Forshay of Anita, who is scheduled to move up to the presidency of the National Association of Insurance Agents next month at Kansas City, reached a successful conclusion at the meeting.

When called on to report, B. C. Hopkins, Des Moines, chairman of the state membership committee, announced a total of 499.

"A dozen or more," he added, "have asked me to be the 500th. I'm going to keep the figure at 499 for a few hours."

Indications are that Iowa will send a big delegation to the Kansas City meeting, and it will attempt to capture the attendance prize.

All hands in the state have taken part in the membership drive under leader-



L. E. MORSE,  
Council Bluffs  
New President



L. M. JEFFERIES,  
Clinton  
Retiring President



JOHN S. CUTTER,  
Shenandoah  
Secretary



B. C. HOPKINS  
Des Moines  
National Councillor

ship of Mr. Hopkins and association of officers. As President L. M. Jefferies, Clinton, said in his report, the field men, Secretary John Cutter, Shenandoah, and others working to a common objective, put over the drive.

Membership June 1 was 380. Previous all time high was 475.

Leon Morse, who succeeds Lyle Jefferies of Clinton as president, has served a year as executive vice-president and given a very good account of himself. He served the previous year as regional vice-president and chairman of the local board committee. He entered insurance in Mason City in 1916, becoming a partner in the McCargar-Morse agency in Council Bluffs in 1930. He has been the sole owner of the agency for three years. He is a past president of the Council Bluffs Board.

#### Experience of Cockburn

George H. Cockburn, Sr., the new executive vice-president, has been in insurance almost 20 years, but has been a local agent for only four. He formed the Cockburn agency in Cedar Rapids in 1937, after 15 years in the Iowa field for Iowa Mutual Liability.



G. H. Cockburn

He is now and has been for two previous terms the president of the Cedar Rapids local board. During the past year he has served the state association as regional vice-president. When his son, George H. Cockburn, Jr., joined the agency in 1918, the name became Cockburn & Son. The younger Cockburn now is serving in the army.

Mr. Hopkins, who has been in business since 1898 in Des Moines, has played an important and continuing role in association affairs for years. He was president in 1938, and was president of the past presidents' advisory council the past year.

The program got under way Monday afternoon with an executive committee session. This was resumed at a dinner for the committee and past presidents in the evening.

The Cedar Rapids board gave the get-together smoker and dutch supper in the evening and the combination of food and entertainment backed up by open house at companies' headquarters got the convention in a pleasant frame of mind early.

#### Opening Ceremonies

After the call to order Tuesday morning by President Jefferies, Rev. V. L. S. Jones read the invocation, and Mayor Hahn warmly welcomed agents to Cedar Rapids. Vice-president Morse responded to the mayor's talk. President Jefferies then introduced the executive committee and distinguished guests. Mr. Forshay got a big hand.

J. H. Buntin, state agent Fire Association, and past most loyal gander of the Iowa Blue Goose, brought greetings from fieldmen.

C. P. Jervey, assistant secretary of Travelers Fire ably discussed "Business Interruption Insurance," and Jules B. Guinotte, manager for Aero Insurance Underwriters, Kansas City, closed the morning session with his talk on "Aviation Insurance."

#### Highway Safety Featured

At the luncheon Tuesday noon, principal speaker was A. B. Millard, Grand Rapids, Mich., agent and chairman of the National association accident prevention committee. Fred Henson, chairman of the Linn county highway safety commission, described the unique composition of that body, consisting of nine men whose daily work brings them into contact with safety factors. Work of the commission is credited with reducing traffic fatalities in Cedar Rapids from 15 to 4, this year to date compared with the same period of 1940. The unusual ambulance operated by Don Gordon in Cedar Rapids was mentioned by Mr. Hen-

## Corn Tassels from Iowa Parley

(CONT'D FROM PRECEDING PAGE)

who figured out "how to plant less, borrow more on it, and have a larger prosperity." He also brought up some Iowa place names, including What Cheer. This prompted an agent in the audience to call out, "What about Sleeping Eye, Minn.?"

Frank Duboc of Western Fire and Western Casualty & Surety was on deck, accompanied by George E. Erickson, special agent of the company in eastern Iowa and western Illinois, Davenport. Mr. Duboc reported that July was the largest month in the history of the Western companies for direct premiums. In that month for the first time in history the two carriers had direct premiums of over \$500,000. May was the second largest month.

Executives of Iowa companies were prominent around the convention; I. H. Ramaker, assistant secretary Security Fire, Davenport; A. R. Nelson, president Hawkeye Casualty, Des Moines, and W. R. Reilly, vice-president Dubuque F. & M., were among them.

As is customary the local board, this time of Cedar Rapids, "stood" the agents to the get-together smoker on the night before the convention opened.

Will Harrison, state agent of National Fire and dean of Iowa fieldmen, received word on arrival at Cedar Rapids that his sister was seriously ill in Davenport.

Dan Kirby, president of Western Surety of Sioux Falls, S. D., came in for the rally.

Ed Davis, state agent in Iowa for Home of New York, was given a surprise party Monday evening on occasion of his twenty-fifth anniversary with the company. D. H. Moore, secretary, New York, was host, and presented Mr. Davis with a silver pin and emblem marking his membership in the "25 Year Club." Fourteen Home men attended the festivities. Tommy Thompson, special agent of Home Indemnity, Kansas City, attended.

In addition to those on the program—C. P. Jervey, assistant secretary, and John H. Egloff, superintendent of agency field service—Travelers was represented from Hartford by T. J. Butler, superintendent of agencies.

One of the state agents attending the convention who has the longest record in that position is Harry A. Houghton, Firemen's. He has served his company as state agent in Iowa for 35 years. His son, Claude Houghton, is special agent in Iowa for Great American Indemnity.

W. O. Schilling, U. S. F. & G., Chicago, was unable to attend the convention, but was on the train with some of the convention-bound Chicagoans. He was on his way west with Mrs. Schilling and their daughter.

Chester E. Ford, Des Moines, past president of the state association, has represented National Liberty 40 years. He has all the National Underwriter handbooks published except the first one

son. The ambulance, only two others of which are in operation in the U. S., was on display for agents outside the hotel.

A Washington office for the National Association of Insurance Agents was strongly urged by Payne Midyette, president, who made his first appearance at an Iowa convention and was voted to honorary membership as a result. Mr. Midyette opened the Tuesday afternoon session.

The best man available should be secured as manager of such an office in the national capital, Mr. Midyette said. He should not be a politician, he should know insurance, and he should represent agents. His job would be two-fold, do public relations work and furnish accurate information. Mr. Midyette pointed out that "our competitors maintain such an office."

#### Public Relations Job

Although agents have a lot to be proud of, little to be ashamed of, they have a big job of public relations, Mr. Midyette said. Buyers don't realize the service performed by agent and company; they think the commission is all profit. The real story of insurance must be told the public by agents and company men.

(CONTINUED ON PAGE 30)

of 1912, and was exhibiting the 1913-14 issue at the meeting. A. J. Verran, Des Moines, was another veteran agent on hand.

Ed Moran, agent at Clinton, went the rounds at the convention on crutches. Three weeks ago he fell off the roof of his cabin on the Mississippi river, below Clinton.

George M. Boynton and Arthur Johnson of Continental Casualty, Chicago, were in charge of headquarters for that company.

R. W. Suhr, Charles City, led the crowd in singing "God Bless America" at the banquet.

J. J. Hubbell, secretary, Security of New Haven, and Ralph Tanger, marine manager, both attended from Chicago.

P. H. Hawes, agency director for Central Surety, Kansas City, looked in on the festivities Tuesday evening.

John V. Stroh, state fire marshal, was an interested and interesting visitor.

K. G. Ellsworth, manager of Aetna Casualty in Iowa and Nebraska, acted as entrepreneur for R. C. Larson, field supervisor, Hartford, and William Whalen, automobile department, Chicago.

Taking a bow at the banquet were 11

past presidents of the association: B. B. Hobbs, Keokuk; John Hynes, Davenport; Robert M. Evans, Des Moines; J. J. Shephard, Cedar Rapids; Sam T. Morrison, Iowa City; Chester E. Ford, Des Moines; A. P. Speers, Centerville; R. W. Forshay, Anita; C. Arthur Ruhl, Davenport; B. C. Hopkins, Des Moines, and Harry C. Brown, Mason City.

The 20 men who weathered the rain Monday to play golf were adequately compensated when Fred Groeltz, Cedar Rapids, presented the prizes Tuesday evening.

The Royal-Liverpool groups had as souvenirs their traditional yellow memoranda pads; North British provided a memo booklet; Firemen's passed out key cases, and Millers National proffered a note case.

Several companies maintained headquarters: Fire Association, North America, Aetna Fire, the Hartford group, Home, London & Lancashire.

E. D. Loring, resident vice-president, Chicago, was host for American Automobile, assisted by Charles S. Cotsworth, superintendent of agents, St. Louis, and Chapman Jones, Iowa supervisor.

L. K. Taylor was in charge for Commercial Union, with Steve Kerrigan, special agent, Chicago, aiding.

Dan Boyette and half a dozen Iowa fieldmen for Travelers welcomed friends for that company.

J. A. Slater

H. H. Warner

H. G. Zimmerman

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## GREETINGS

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PHOENIX-CONNECTICUT GROUP

DES MOINES

IOWA



## Tall Corn State Offers Abundant Marine Prospects

### Souders of Fire Association Makes Clear to Iowans Their Opportunities

Iowa holds 19 first places in the production of farm products, and these harvest dollars annually flowing into the state set up an enormous stream of financial transactions and movement of materials which offer the agent innumerable opportunities for the sale of inland marine contracts. V. W. Souders, manager of the western marine department for Fire Association, Chicago, detailed some of these opportunities in the inland marine field, in addressing the convention of the Iowa Association of Insurance Agents.

The farmer transports corn, live stock and other valuable farm products to market on his own truck, driving over heavily traveled public highways, slippery when wet, ice covered in winter, across weak bridges. A transportation policy will indemnify him for loss of or damage to his cargo resulting from all these hazards and others. The farmer's cargo may not run into four figures but a relatively small monetary loss to persons with substantial incomes may be a serious loss to the hard working farmer. Few farmers are aware that the agent can supply loss indemnity on property in transit at a low premium cost.

#### Transportation Floater

Purchasers of the farmers' products ship to other parts of the country on their own trucks, by public truckmen, by rail, and by express. Their interest in these shipments can be protected directly by a transportation floater written to cover all shipments by various methods of transportation, Mr. Souders said.

Public truckmen operating under I. C. C. regulations or the usual state regulations are required to carry only \$1,000 cargo indemnity insurance per vehicle. If a truckman has not purchased sufficiently high legal liability limits to protect his cargo values, then shippers, in the event of loss, might not recover their full claims.

The bill-of-lading or shipping receipt issued by a common carrier establishes legal liability, but no common carrier is responsible for loss or damage to property in transit caused by acts of God, such as floods, tornadoes, lightning and earthquakes, the public enemy and riots and strikes.

A shipper, therefore, needs a transportation floater for coverage against loss by such perils as well as the perils for which common carriers are liable.

#### Costs One Firm \$6,000

For instance, there was a total loss by flood of a shipment of straw hats in transit while in custody of a public truckman during the Ohio river flood a few years ago. The truckman was sued by the shipper for the value, which was approximately \$6,000. The court held that the bill-of-lading specifically excluded liability for flood loss, being an act of God. Inasmuch as there was no evidence of negligence, the loss fell upon

(CONTINUED ON LAST PAGE)

## Aggressive Selling Is the Only Answer for Agents—Mays

The mousetrap philosophy won't work for the insurance business, Milton W. Mays told Iowa agents. As a matter of fact, it is a dangerous philosophy for agents. It is up to them to make a beaten path to the door of the insurance buyer until they sell him.

During the depression stock insurance was able to stop the advances of non-stock carriers only by adopting aggressive selling methods and by telling the public why quality protection is worth more. It is significant, he said, that the relative positions of capital stock fire companies and non-stock fire carriers did not change during 1938 and 1939, and probably not in 1940.

But Mr. Mays wonders if "we have learned our lesson completely." He pointed to competition manufactured by agents themselves through lack of efficient systems within their offices and lack of planned selling activities. Buyers today are curious and critical, he said.

"Do you have any plan for locating new prospects, for securing interviews, for making a sales presentation, for closing sales, for making collections and keeping customers," he asked. "Have you called to the attention of each of your customers all of the protection they need? Have you serviced each account as it should be serviced? If you have been too busy, that is a sure sign that you should budget your time and develop a selling plan.

#### Check Up on Yourself

"If you have been too busy, why not check up on the way you spend your time? On the busiest day of the week keep a careful record of your activities. On a plain sheet of paper prepare a brief report of each 30 minutes of the day from eight in the morning until five in the evening. Allowing one hour for lunch, that is a working day of eight hours. If you go out for a mid-morning cup of coffee, enter that on your time sheet. If you are in a prospect's office for an hour, record that. If you take 30 minutes to tell your secretary how extravagant your wife is, make that a matter of record, but don't let your wife see it. At the end of the day, prepare a recapitulation. Count up the number of prospects upon whom you called, the total premiums on business you wrote, the number of customers you visited, and the total number of minutes wasted. See if you are as busy as you thought.

"If you are attempting to sell better insurance, learn why it is better, learn to tell why it is better, and then make a beaten path to the door of the insurance buyer until you sell him," Mr. Mays concluded.

L. C. Sylvester, manager of the brokerage department, and Ed H. Miller, manager of the automobile department of North British, Chicago, acted as hosts in the rustic replica the hotel calls the "barn."

George Cockburn, new executive vice-president, pronounces his name as though it were spelled Coburn.



M. W. Mays

## Agent Should Prepare to Share in Aviation Boom

Those agents willing to take a chance with time and effort spent on the aviation industry when it was young are now cashing in, Jules B. Guinotte, branch manager of Aero Insurance Underwriters, Kansas City, told those attending the meeting of the Iowa Association of Insurance Agents at Cedar Rapids. In the period of struggle and experiment for aviation these agents helped the pioneers set up cost accounting systems, gave them pointers on collections, aided in installing various records and in the job of public relations.

As a result they are being handsomely paid for their efforts and foresight, because high percentage of the largest accounts in the United States still is written by the agents who originated them.

However, the same opportunity exists today that existed 15 or more years ago, Mr. Guinotte said, because aviation still is an extremely young industry, and is on the brink of enormous expansion. He strongly urged agents to get into the field, and while some of the efforts may not result in adequate financial returns at present, such agents will have a large share in the future of the industry.

#### Extent of the Cover

Illustrating how big a field aviation now is for insurance, and how rapidly it is growing, Mr. Guinotte pointed out that Iowa, with 1,882 certificated pilots, is the sixteenth state in the country. The

civilian pilot training program fostered by the Civil Aeronautic Authority in cooperation with college and educational institutions over the country is producing a large number of new users of aircraft each year. Since 1939 approximately 2,000 students in Iowa have been trained in the C. P. T. P. courses. On July 1, 1941, there was a total of 78,000 persons holding student pilot certificates throughout the United States, with 82,277 certificated pilots.

Mr. Guinotte pointed out that while there are a considerable number of regulations covering airplane flying, these are essential, and they have been simplified to a few basic rules so far as complying with insurance requirements are concerned. Another complaint that is often heard is that "rates are too high." However, Mr. Guinotte said, compared with actual losses, rates probably are not yet quite high enough. Because of its function, the airplane can easily be damaged extensively, and costs for replacement are extremely high. In many cases a damaged wing cannot be satisfactorily repaired, certainly not a propeller, even though the damage may be slight.

On losses, at the present time priorities are making the problem of aviation underwriters even more acute. Mr. Guinotte urged the agents to keep a clear head under these circumstances.

The simplest way to handle a risk is to take an application form, go to as-

(CONTINUED ON PAGE 33)

## IOWA'S HOME COMPANY EXTENDS

# Congratulations

to the Iowa Association  
of Insurance Agents for  
a Splendid Convention  
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# The NATIONAL UNDERWRITER

September 11, 1941

## CASUALTY AND SURETY SECTION

Page Twenty-one

### Underwriting Caution Urged in Surety Field

**Ferre Watkins Recalls Headaches Under Bonds Following Last War**

Admonition to surety people to exercise the utmost caution in their underwriting these days was given by Ferre Watkins, general counsel for the division of liquidation of the Illinois insurance department, in addressing a noon meeting Tuesday of the Surety Association of Chicago. Mr. Watkins urged the underwriters to keep fresh in their memory the experiences following the last war when so many contractors defaulted after the boom collapsed and the surety had to make good, in some cases, for 100 percent of the bond. When an armistice is signed, it does not mean that there will be an armistice for surety bonds. He predicted that there will be many headaches in connection with bonds that are being written today on vast undertakings where the financial position of the contractors is sketchy and they are trying to grab a temporary profit. The underwriter, he said, should always, in appraising a risk, look beyond the day when the war is over.

Mr. Watkins concluded by stating that the insurance business has perhaps the greatest stake of any industry in preserving the system of private enterprise. Insurance must not get in the hands of the government, he declared.

#### Boosts Corporate Suretyship

The speaker put in some strong words for corporate suretyship. He said he laments the fact that trustees are not required to give bond in Illinois and he said there should be legislation providing for some sort of scrutiny of individual trustees. At present such trustees may have unlimited sums of money in their charge and yet they are compelled to give no accounting unless the beneficiary goes to court and demands it.

Mr. Watkins said the records of the probate court tell innumerable tragic stories that have arisen from the fact that an executor of an estate, who is not the principal beneficiary, has been permitted to serve without bond.

The premium that is paid for an executor's bond is the best investment that can be made, he said. The fact should be impressed strongly on the bar.

Mr. Watkins told something of the work of the department of liquidation. He said that there are now 50 companies in process of liquidation in Illinois. Six are stock casualty companies, five mutual casualty, two casualty reciprocals, two Lloyds, four stock life companies, six mutual assessment life companies, one life and accident company, 16 mutual benefit associations, three fraternal, one assessment accident and health concern, two burial associa-

### Willis Smith Heads Lawyers Group

**International Association of Insurance Counsel Meets at White Sulphur**

#### NEW OFFICERS ELECTED

President—Willis Smith, Raleigh, N. C.

Vice-presidents—Allan E. Brosmith, Hartford; Franklin J. Marryott, Boston; Hal C. Thurman, Oklahoma City.

Secretary—Richard B. Montgomery, Jr., New Orleans.

Treasurer—Robert M. Noll, Marietta, O.

Executive committee—Patrick F. Burke, Philadelphia; Paul J. McGough, Minneapolis; Francis M. Holt, Jacksonville; and Oscar J. Brown, Syracuse, N. Y.

President Oscar J. Brown of Syracuse called the annual convention of the International Association of Insurance Counsel to order at White Sulphur Springs, W. Va. Clarence W. Meadows, attorney-general of West Virginia, made the address of welcome. Payne Karr of Seattle responded on behalf of the association.

The first speaker was John B. Martin of Philadelphia on "Litigation and the Soldiers & Sailors Relief Act."

John L. Barton, Omaha, spoke on "Federal Rules of Civil Procedure and Their Applicability to Insurance Litigation."

Reporting as secretary of the association, Richard B. Montgomery, Jr., stated that the present membership is 1,391.

#### Treasurer Noll Reports

Robert M. Noll, Marietta, O., reported as treasurer.

F. B. Baylor, Lincoln, Neb., reported for the general legislative committee. Chairman Hugh D. Combs of Baltimore reported as chairman of the home office counsel committee. The nominating committee was as follows: Chairman, P. E. Reeder, Kansas City; A. R. Christovich, New Orleans; R. W. Shackelford, Tampa; K. B. Cope, Canton, and W. C. Jansen, Hartford.

At the round-table discussion, Alvin R. Christovich, chairman of the committee on practice and procedure, presided. Rule 49 of the federal rules of civil procedure was the subject of the address by Wilbur E. Benoy.

John H. Hughes, Syracuse, led the discussion which followed. John A. Kluwin, Milwaukee, spoke on "Third Party Practice Procedure." The discussion was led by George Heneghan, St. Louis.

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tions and the Illinois Service Corporation, which undertook to provide a substitute for regular compensation insurance.

Mr. Watkins spoke highly of Frank J. Bartsch, who has been the active operating officer in charge of the department of liquidation for many years.

Julian S. Neal, president of the association, presided at the luncheon which was attended by about 60.

### Ponder Products Liability Cover and Sabotage

The question of sabotage and its possible relation to claims under public liability policies has been getting some attention lately.

A standard form of products liability has not been adopted generally and there are still in existence some antique forms which provide for coverage only in the event foreign substance is in a product; this limited coverage is further qualified by the statement, "unless such substance is intentionally introduced or permitted to remain thereon by the assured." Some feel that sufficient basis would exist for the insurer to disclaim liability were it able to establish beyond reasonable doubt that the claims arose from the acts of saboteurs and constituted foreign substance in a product, intentionally introduced and permitted to remain thereon by the assured or his employees.

Even under the standard form some experts say there may exist reasons to question whether the intent of the coverage is to protect claims which result from acts of sabotage. For one thing, the basis of liability coverage is for the consequence of an accident and it may be argued that since an act of sabotage is deliberate and intentional any illness or suffering caused as a consequence might not be regarded as accidental, but rather the intended result which was planned at the time the product was prepared or distributed.

It has been suggested to some assured that they obtain from their insurer some interpretation in advance as to their attitude on a matter of this kind.

### Meet Sept. 9 on N. Y. Auto Law Amendments

NEW YORK—The third in the series of meetings scheduled by the joint legislative committee considering proposed amendments to the automobile financial responsibility law, which becomes effective Jan. 1, will be held at the State Building here Sept. 29, and may continue through the following day. Earlier gatherings have taken place at Alexandria Bay and at Bolton Landing, Lake George, at each of which those advocating changes for the more effective operation of the act, presented their views. That some amendments to the act are desirable is generally conceded by the law-makers and that changes will be enacted when the legislature next meets appears certain.

### Confer on Massachusetts Rates

BOSTON—Representatives of companies enrolled in the Massachusetts Automobile Rating & Accident Prevention Bureau were called here by Commissioner Harrington to examine and review the commissioner's preliminary schedule of compulsory automobile liability insurance rates for Massachusetts for the year 1942. When the commissioner has acted upon the suggestions received at this conference he will call a public hearing on the new schedule, to be held probably some time early in October.

### Claim Group Has Annual Rally in Atlantic City

**Louis Johnson Gives Stirring Address—P. J. O'Connor Presiding Officer**

ATLANTIC CITY—Wilard E. Hein, State Mutual Life, chairman of the executive committee, called the annual meeting of the International Claim Association to order here Monday morning. Mr. Hein presented a handsome gavel to Vice-president P. J. O'Connor, General American Life, with which to preside over the meeting.

At a formal meeting of the executive committee on Sunday night Secretary Louis L. Graham presented to M. Barratt Walker, U. S. F. & G., who was president of the association in 1914-1915, an engraved card extending a life time invitation to attend all future meetings. This card is issued only to retired claim men of member companies who have attended five or more meetings. A similar card will be sent to former President William A. Dennis, Prudential, who was unable to be present at this meeting.

#### Task Is More Involved

In his address as presiding officer Mr. O'Connor stated that "the task of insurance claim men is more serious and involved than ever before, due to the chaos and destruction throughout the world." He further stated that "we are not only concerned with the validity of claims and promptness of payment, but we also have an international situation that has closed avenues of information, thus creating problems for both the present and future as to identification of deceased policyholders and their beneficiaries residing in foreign countries."

Berkeley Cox, associate counsel Aetna Life, read an interesting paper on "Claim Settlements in Community Property States." He explained the practices and precautions in the settlement of life, accident and health claims in the eight states which have community property statutes.

Basis of the legal philosophy is the tenet that earnings of a husband and wife during marriage and all property acquired with such earnings belong to them both, Mr. Cox said. But complications immediately arise because each may have non-community property. He said that insurance premiums, being customarily payable out of joint income, place an insurance policy in the position of a joint asset.

Legal complications arise when proceeds are to be paid to someone other than husband or wife, Mr. Cox said. Sometimes releases are secured from the wife to designation of some third beneficiary to a policy procured by the husband. He said the more frequent practice was to have the release signed at the time of settlement. Many varia-

(CONTINUED ON PAGE 32)

## New Setup for Advanced CPT Courses Released

WASHINGTON—To speed up the training of aviation instructors the Civil Aeronautics Authority has made some changes in the setup of advanced courses in the civilian pilot training program which will be given this fall. These changes, decided upon since the fall courses were outlined in THE NATIONAL UNDERWRITER for Aug. 28, will mean that students who took their first instruction in aviation last January can earn the commercial pilot certificate with instructor rating before the close of this year. However, those taking these advanced courses will have such a full schedule that it will be necessary for them to devote their entire time to it. It will not be practicable for the college group to combine non-aviation college work or for the non-college group to hold outside jobs.

Under the new arrangement graduates of the non-college elementary course can take what will be known as "advanced courses type A," which will include acrobatics, cross-country navigation, instrument flying and night flying. The personal accident premium for this combined course will be \$25 while the liability premium will be \$19.

The corresponding course for graduates of the college secondary course will be known as "advanced courses type B." It will not teach acrobatics, since the student will have had this in his secondary course, but will include cross-country flying, instrument flying, and night flying. Premiums will be \$16 for personal accident and \$11 for liability.

In the non-college advanced courses about 1,200 men will be trained for 18 weeks. In the college advanced courses about 2,700 students will be trained for 12 weeks. Cross-country and instructor courses will not be given as individual courses.

### Gives Talk on New York Law

Everett Hunt, counsel for the insurance federation of New York, addressed members of the Casualty & Surety Club of Baltimore, Monday, on the provisions of the new financial responsibility law of New York.

### To Explain New N. Y. Law

NEW YORK—A state-wide radio address will be given by Motor Vehicle Commissioner Mealey next Monday night to inform the 3,000,000 motorists of the purposes and requirements of the financial responsibility law which becomes operative Jan. 1 next.

### Cover Visiting Hotel Men

The American Hotel Association has secured from Century Indemnity, a special legal liability policy with limits of \$1,000,000 against injury to any one of 18 prominent hotel men of South America who will be guests of the association during a grand tour of the larger cities of this country.

### New York A. & H. Club Outing

C. S. Ashley, vice-president Maryland Casualty, will be honor guest at the annual outing of the Accident & Health Club of New York at Glenwood Landing, L. I., Sept. 20. W. F. Casey is chairman of arrangements. President R. W. Pope will award prizes to winners in the various contests and the president's trophy to the winning softball team.

### Travelers Aids 'Gas' Conservation

To aid the federal government in its gasoline conservation program, Travelers is running a series of advertisements in the daily press indicating the carrying power of a gallon of gas at various speeds, and cautioning against high speed driving.

## PAYS TO COLLECT SALES IDEAS

KANSAS CITY.—Any idea that he picks up that might help to do a better selling job is jotted down by Leon A. Triggs, agent of this city, he told an agency meeting. In addition, he makes comprehensive mental notes. Such data on ways and means of selling and bits of information about policies that have been overlooked in the past are very helpful in increasing production, he said.

"I plan to get out my notes on Saturday and see how many of these new ideas and suggestions I've actually used. I'm far from being the success in this business I'd like to be. I've only been in multiple line insurance a short time, and I'm anxious to learn. I try to keep an open mind, an experimental attitude. If a certain method works well for Mr. Agent, I'll adopt it, maybe with variations to fit my small rut, and see if I can wring the success from it that he has. He can expose me to the idea, but it's up to me to put it in my kit of tools and use it.

### Seeks to Visualize Coverage

"Each person has his individual method, his individual knack or characteristic mannerisms. Last fall one agent suggested that his successful way was to get the prospect to ask questions. Another used audits. Personally, I like to hang pictures on the walls of my prospect's mind. I like to let him see himself in the insurance set-up I'm trying to sell him.

"For instance, in our burglary policy we endeavor to break down resistance by a letter or by a clipping attached to a circular. Both tend to picture in the prospect's mind his need for burglary protection and to make him prefer to spend now rather than to forfeit later.

"It seems to me that recent cases of the value of insurance protection, or the

lack of it, best do the job of selling. Painting a picture of a prospect's liability from a railroad spur on his premises made him call me up to get a policy covering the hazard. Sometimes we hang on to the lowly penny so long that we jeopardize the mighty dollar. To save a small insurance premium we expose ourselves to vast financial drains and perhaps our own financial ruin by refusing adequately to insure ourselves. There are so many good points in our contracts we should spend our time emphasizing them.

### Actual Cases Help to Close

"Tell your prospect stories. Give him illustrations of actual cases. Don't merely tell him what to do; he resents that. Let him see what he should do by hearing and reading the other fellow's experience.

"Proper timing of your direct mail advertising is most important. Last year we conceived the idea of sending a letter on residence burglary, theft and larceny insurance just prior to the time people left on vacations. We have been doing the same thing this year. We call it a 'vacation policy,' but naturally we'll try to make it stick for 52 weeks.

"We get a lot of good ideas. Then we go out and proceed to forget them. We forget that how we spend our time means how we make our income. We slip right back into the same old rut. We take the line of least resistance: Dictation. Detail. Service calls. The same old stuff. We hate to call on a man about this or that line because we fear he will say 'No!' Isn't it a fact that every time a prospect says 'no' to us, we are just that much nearer a sale? The old law of averages still works. We have to call on just so many people before we make a sale."

## Professional Liability Is Good Line for Agent

Attention is focused on insurance against malpractice by the recent jury verdict of \$30,000 against a physician in the east who diagnosed a pregnancy as tumor and prescribed x-ray treatments.

There is not much resistance to the sale of professional liability coverage for agents who use the survey approach in connection with prospects for this line. The professional man is the type of person who looks upon one agent who handles some of his insurance business as his "insurance man." He is very apt to consider the agent negligent if he doesn't at least recommend insurance of this and other types, in order that the man can feel that he is being well taken care of. When the suggestion is made the physician usually buys.

### Renders Important Service

From the viewpoint of service to the professional man the suggestion of professional liability coverage is very important. From the viewpoint of the insuring company the line is still something of an experiment, although most companies report a favorable experience.

The few companies that write this type of protection each has its own rates and underwriting methods. For the most part requirements are that the doctor, dentist, and so on be a member of his professional group, have a good reputation, etc. The protection is available to optometrists and druggists, and to non-profit hospitals.

Basic limits are \$5,000 for one case and \$15,000 for all claims and suits arising during any one year. The company pays all expense incurred in handling claims and suits. Higher limits are available at increased premiums. Some companies offer policies on a three year basis.

About three-fourths of such business is written by the Medical Protective of Fort Wayne which specializes in this field. It provides lower limits than other

## To Remove Exclusion in Medical Payments Form

The National Bureau of Casualty & Surety Underwriters and American Mutual Alliance are taking steps to remove the exclusion in the medical payments cover of payments to persons being carried for a charge. This action is for consistency with removal of the similar exclusion in the basic policy. Prompt approval is expected.

The new revision of the standard auto liability policy is expected to be released in three weeks.

companies, making a special feature of \$2,500-\$7,500.

Certain offices within the same company have good experience, while certain other agencies produce business on which the results are not so good. Apparently the problem is one of careful underwriting.

One unusual situation is that many refugee physicians, professional men from Europe have successfully established themselves in this country find it difficult to get such coverage because some companies require membership in a medical society and such membership is not possible to persons who are not citizens.

## Decision Turned on Meaning of 'Shaft' in a Policy

Rhode Island supreme court had before it the case of Joslin vs. Aetna Life. The plaintiff accidentally sustained a comminuted fracture of the greater tuberosity of the left humerus and seeks indemnity under that clause purporting to cover complete fracture of bones in the "arm, between elbow and shoulder (shaft)." Had not the word "shaft" been added in parenthesis, there is no doubt but that his injury would be covered, the court said. The question is as to the use of this word in parenthesis.

## Navy Department Uses Hill Plan

The Bureau of Yards & Docks of the Navy Department has now appropriated the war department's comprehensive insurance rating plan applicable to construction contracts that are awarded on a cost plus a fixed fee basis. This scheme is also known as the Hill plan. Up until this time the Navy department had followed the old practice of requiring four bids, two from dividend paying insurers and evaluating the net cost of the bids on the basis of anticipated dividends.

## Seeks to Popularize Three-Year Policies

Standard Accident suggested to agencies that they attempt to sell three-year coverage, which will not only save their clients money but will help the agents to retain renewal business on burglary, general liability, and glass breakage coverage for at least three years.

### Sticker Is Provided

Standard Accident has prepared stickers to aid the agent in converting business to the term basis. It reads:

"This policy is issued for a term of one year at a premium of \$—; on the present basis this policy, if renewed annually for three years, would cost \$—; we can write this policy for a term of three years at a premium of \$—, payable in advance, which would save you \$—.

"Or for a premium of \$—, payable 50% in advance \$—, 30% 2nd year \$—, 20% 3rd year \$—, which would save you \$—.

"We strongly recommend to you a three-year policy and will be glad to re-write your policy on a three-year basis."

## Seek to Curtail Accidents

NEW YORK—A program for curbing accidents in industry, in the home and on the highways, was adopted by the National Safety Council at an emergency conference here, in response to the appeal of the President that effective means be taken to reduce accident hazards as an aid in national defense.

## E. E. Fay to General Casualty

LOS ANGELES—Edgar E. Fay, well known among casualty insurance men in southern California, has joined the General Casualty of Seattle in its Los Angeles office, in charge of the casualty and marine departments.

Before joining the General, he had been for a number of years with New Amsterdam Casualty in Los Angeles.

## Catch Claim Defrauder

PORTLAND, ORE.—Harold L. Davis, alias Gerry L. Davis, the third of a trio which has milked some 20 insurance companies and several public carriers of approximately \$3,000 through false claims is being returned to Portland for trial. The National Automobile Theft Bureau and San Francisco police are given credit for the arrest.

The company contends that the addition of this word clearly indicates that only fractures of the shaft bone were to be covered and that since the plaintiff's fracture was to the tuberosity, no liability exists. However, considering other parts of the policy where parentheses are used to except coverage in certain respects, the court concludes that the addition of this word in parenthesis creates an ambiguity which is to be construed in favor of the insured and orders that judgment be entered in his favor.

"Why Disability Insurance Is a Good Investment for You" booklets help sell accident and health. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.



## Commissioners Resent New Illinois Law

A number of insurance companies are reported to be indignant because of the passage by the recent Illinois legislature of a law that was desired by State Farm Mutual Automobile of Bloomington, Ill. The statute in effect provides that if any state refuses to issue a license to an Illinois company that is able to meet the financial and other requirements of the law of such other state, the insurance director of Illinois may refuse to license in Illinois companies domiciled in that other state.

### Terms Were Amended

The bill, when first introduced, provided that the Illinois insurance director "shall" refuse to license companies of the other state, but this was modified to give the director merely discretionary power. State Farm Mutual asked for this legislation, because of the difficulties it has encountered in Wisconsin. A number of the local mutuals of Wisconsin have sought to keep the Illinois company out of the state and there has been much litigation and legislative debate of the issue there. The issue has centered about the matter of setting up reserves to cover membership or policy fees that are collected when the business is first written.

Some of the commissioners that are up in arms contend that under this legislation there is set up a special standard for Illinois companies to be licensed in other states. It may be that the commissioners at their mid-winter meeting in December will express their opinions on this matter.

### Effect May Be Negligible

Although a few of the commissioners, particularly the Wisconsin department, may be exercised because of this law in Illinois, other observers feel that there may be no practical effect from the legislation. An Illinois company under the law, must first be "legally entitled" to entry into another state and still be denied admission before the Illinois director is given permission to retaliate. The question of what constitutes "legally entitled" to admission to a state is perhaps susceptible to various interpretations. The Wisconsin authorities have contended that State Farm Mutual is not legally entitled to a license in Wisconsin, and there is a suit to adjudicate that question. Should State Farm Mutual win a favorable decision and the Wisconsin department still refuse to issue it a license, then presumably the Illinois statute would come into play. By and large a commissioner is obliged to license a company if it can comply with all the requirements and the commissioner would always undertake to justify refusal of license on specific grounds. The commissioner and the courts in a particular state are the ones that decide when a company is legally entitled to enter that state.

## Much Detail Involved in Handling Defense Risks

A common observation these days in connection with the writing of any type of business in which the war or navy department is interested is the tremendous amount of overhead that is involved for the agent and company. There are many technical requirements and a great variety of forms to be completed. Insofar as surety business is concerned, a large number of executed copies of the bond must be furnished and on other forms of casualty insurance there may be as many as 15 or 20 certificates required. One general agency, for instance, in connection with a risk developing a \$100 premium, was required to produce 15 certificates of one style and 15 of another. Its overwriting commission was \$6 and it found that it was out of pocket \$4.50 just in running through the certificates.

## Sharp Reduction in Unemployment Is Seen

MADISON, WIS.—A good sign that more people are at work and their purchasing power is improved is seen in the records of the bureau that has charge of unemployment compensation. Until recently here in Wisconsin there have been 7,000 claims a week. Now there are 6,000 and still running down. Some employees in the bureau fear they will lose their jobs for want of work.

## Virginia Bar Association Revives Lay Adjuster Issue

RICHMOND—The Virginia State Bar's committee on unauthorized practice of law holds that independent lay adjusters who argue with or advise claimants in regard to the liability in automobile accidents are engaging unlawfully in the practice of law. In the opinion, the committee declared that "a lay insurance adjuster may properly ascertain all the facts. As soon, however, as he advises his employer what rules of law apply to these facts he is practicing law. If he is employed to make a settlement and in the course of settlement makes statements to the other party as to the liability of the parties or as to the law governing the facts, he is practicing law. If he is employed to draft legally binding settlement papers, he is practicing law."

### Hearing Held on Complaints

The opinion was given following a hearing on the activities of the Old Dominion Adjustment Bureau, Richmond; Lynchburg Adjusting Company, Nichols Company of Washington, which maintains an office in Richmond; Seibert & Co. of Norfolk and Richmond and the Southwestern Adjustment Bureau of Roanoke. It was indicated that an appeal would be taken from the decision of the committee.

The opinion does not apply to adjusters regularly employed on a salary basis by insurance companies, nor does it apply to the Fire Companies Adjustment Bureau.

## Compensation Tribunals on Spot, Commissioners

WINNIPEG, MAN.—If the administration of compensation insurance is to remain in the hands of lay tribunals, it behooves the men who make them up to demonstrate competence or see this field returned to the courts, where it formerly belonged, N. H. Debel, chairman of the Minnesota compensation board and member of the Minnesota industrial commission, said in an address before the annual convention of the International Association of Industrial Accident Boards and Commissions.

### Fact and Fancy

After praising the record of state boards administering compensation insurance and comparing their public acceptance favorably with some federal boards, Mr. Debel said:

"In the face of the new challenge to administrative law tribunals, the decisions of the workmen's compensation commission must not only be fair and supported by facts and sound reasoning but they must be manifestly fair and convincing. This can be made plain to the contending parties and the public only through the ability of these tribunals to distinguish between fact and fancy, to organize their conclusions and to give reasons for their decisions that will, if necessary, be considered valid by the courts."

He said that in some states appeals from commission awards have shown a startling increase. Boards must be extremely vigilant in order to merit the trust which the states have imposed upon them, Mr. Debel warned.

## Soldiers' Relief Act May Raise Problems in Negligence Suits, J. B. Martin Asserts

The effect upon insurance litigation and especially on negligence cases, of soldiers' and sailors' civil relief act of 1940 was reviewed by John B. Martin, Duane, Morris & Heckscher, Philadelphia, before the International Association of Insurance Counsel at White Sulphur Springs, W. Va. There is little question regarding the constitutionality of the act, Mr. Martin pointed out.

One of the act's most important aspects from a litigation standpoint is its effect on the statute of limitations. The law provides that the period of military service should not be included in computing any period to be limited by any law for the bringing of any action, whether such cause of action shall have accrued prior to or during the period of such service.

### Cites 1918 Act Cases

There are several cases which grew out of the 1918 act when actions were brought by men who had been in service in which the courts held that the statute of limitations did not apply while the man was in service. In several cases the courts held that the act applied to all law notwithstanding state law limits. In view of this situation it will be necessary for insurance companies to keep open many files that would ordinarily be closed at the end of the statutory period. Files created after Oct. 17, 1940, when the law went into effect, should not be destroyed for the duration of the emergency, if there is any possibility that a claimant will be inducted in the service.

### Stay Provisions Considered

The effect of the stay provisions of the act were also considered by Mr. Martin. The law provides that it is up to the discretion of the court to decide whether or not the ability of the person in military service to prosecute or defend the action is materially affected by reason of his military service. A review of the 1918 cases show that the courts used their discretion wisely. In one case a captain in the ordnance department whose official duties allowed him to spend considerable time at his home was not granted a continuance while another case where the material witness was in military service, the appellate court held that the trial court was in error by not granting a continuance.

Insurance companies defending negligence suits for assured may be faced with a large number of continued old cases carrying a high statutory reserve, Mr. Martin pointed out. Periodical investigation check-ups will be desirable in these cases. Companies are also faced with the prospect of trying many cases without the presence of the defendant. "Will some of the courts say that a defendant who is adequately insured is not materially affected in the trial of a case by reason of his military service? Will the court grant stays or continuances to employers in cases where their agents who are material witnesses are in the military service?" The cases interpreting the 1918 act are helpful in answering such questions, but it must be remembered that today there are more insured vehicles and more automobile drivers than in 1918, Mr. Martin pointed out.

### Suggestions for Attorneys

Mr. Martin made several suggestions for attorneys defending insurance company cases. The defendant who is in military service should be asked to procure an attorney to represent him personally, when a stay question is involved. This attorney could point out, depending on the facts, that the amount of damages sought is above the coverage limit, indicating that his client may be materially affected by a trial in his absence. He should also point out that his client has a right of action against plaintiff or his privies of such right of action may be prejudiced by a trial at

which his client is not present; while his client is insured in an excellent company, if the case should be a long drawn out affair, the company may become insolvent before a judgment rendered against his client is paid, and he has been unable to consult with his client.

As soon as it is learned that a defendant insured in military service, a stay should be requested. When a question of policy coverage is involved with an insured who may be inducted, the insurance company should seek relief by way of declaratory judgment. This is usually a speedy remedy. If it is possible, in any suit that a person in military service is liable over to an assured, that fact should be brought to the courts' attention, if a continuance is deemed advisable. In cases where defendants or important witnesses may be inducted, the insurance companies may find it advisable to ask for trial preferences.

## Brink Agency Cruise Has Total Attendance of 287

The five-day cruise of the Earl B. Brink Michigan agency of Mutual Health & Accident and United Benefit Life from Detroit to Isle Royale in Lake Superior, with stops at Mackinac and Sault Ste. Marie, was especially successful, with 287 making the trip.

In attendance from the home office in Omaha were S. C. Carroll, vice-president; F. S. Finch, Mr. and Mrs. W. E. Huggins and Mr. and Mrs. H. C. Carden. In addition to the contingent from the Brink agency, C. Truman Redfield of Chicago had 13 men on the cruise, Jack Crane of Waterloo, Ia., nine, and H. F. Swisher of Columbus, O., who was unable to attend himself, sent eight men. Others in attendance included L. F. Flaska and E. M. Hand of Toronto, with their wives; Herchel Lamme, new manager at Dayton, O.; Mr. and Mrs. D. M. Brovan of San Francisco; Ralph Hale and T. Maher of Pittsburgh.

### Fitzgerald Joins Globe

Joseph E. Fitzgerald has been appointed underwriter in the fidelity and surety department of Globe Indemnity's Chicago branch by K. O. Saunders, resident vice-president. Mr. Fitzgerald succeeds Leo J. Doyle, Jr., who resigned to join Massachusetts Bonding. Mr. Fitzgerald, graduate of De Paul law school and member Illinois and Chicago bar, has been practicing law for four years in Chicago with his father, who has just retired from practice.

### La. State Business Distributed

NEW ORLEANS—Nearly 200 local agents throughout Louisiana participated in the commissions on workmen's compensation, automobile and boiler insurance written for the state of Louisiana. Compensation was handled by U. S. F. & G., automobile by Travelers and Employers Liability and boiler insurance by Columbia Casualty. The state department of finance named the agents to receive commissions and checks sent them varied in amounts from \$50 to \$225. It is estimated that the total commissions so distributed amounted to approximately \$16,000. Under the old political setup in Louisiana only a favored few were given the state's business.

### Mercer Casualty in New Field

Mercer Casualty, Celina, Ohio, announces that it is offering new general liability policies. It is in a position to write practically any forms of general liability coverage, and it has brought out a new schedule liability, family liability and sports liability policy.

## COMPENSATION

### Ponder Rates for Work on Foreign Bases

NEW YORK—The joint committee of casualty underwriters dealing with projects of the federal government under the cost-plus-a-fixed-fee basis meeting here Wednesday is giving consideration to the formulation of rates applicable to men employed on contract work at air and naval bases in territories recently acquired from foreign countries.

An important feature is medical reimbursement. Medical aid injured workers are likely to receive at distant points will probably not be as satisfactory as that which is available at home. Underwriters recall the heavy medical costs involved in connection with government construction work in Puerto Rico some years ago, this feature constituting a large percentage of the total losses. The majority of the medical claims were for injuries sustained by laborers, largely Negroes; relatively few claims having been made by the skilled workers.

The longshoremen's and harbor workers compensation act, under which coverage to workers on these projects applies, is more liberal than are the compensation laws of most states; New York, however, being a notable exception.

### New Setup for Utah Fund

SALT LAKE CITY—The office of manager of the Utah State Insurance Fund has been abolished, and C. A. Caine, who has held the position continuously since 1917, retires. Action was taken by the newly created finance commission, which since early this year, has supervised the fund. Prior to that time it was under the supervision of the state industrial commission. It is learned that management of the fund will be taken over by J. Fred Pingree, a member of the finance commission. It is understood that Mr. Caine intends to continue in the compensation field in association with a private agency.

### Ohio Law Liberalized

Under a new workmen's compensation law which has just gone into effect in Ohio, any workman who is hurt will be entitled to a maximum weekly benefit of \$21 instead of the present \$18.75. He will continue to be paid on a basis of 66 2/3 percent of his weekly wage unless that exceeds the new maximum. The award to dependents of skilled workmen has been increased from \$6,500 to \$7,000.

### Ask Bids on City Line

LINCOLN, NEB.—Irrked by criticisms of methods of handling other forms of public insurance, the city council has called for bids to be opened Sept. 15 on workmen's compensation insur-

### Industrial Accidents Show Marked Increase

MADISON, WIS. — Evidence of the sharp increase in industrial accidents was presented by Voyta Wrabetz, chairman state industrial commission, before the Wisconsin Manufacturers Association here. The 65 to 70 average number of daily accident reports received prior to May, 1940, has increased steadily to 100.7 in June and 124.8 in July, he stated. The increase in manufacturing industries has been even higher, going from 993 industrial accidents in July, 1940, to 1,722 last July, a 73.4 percent increase. Although the increase in employment accounts for some of the industrial accident increase, employment is up only 30 percent compared to the 73.4 percent gain in accidents.

ance covering its nearly 500 employees. The Travelers has had the contract for the past year, premium payments totaling \$14,478.

## ASSOCIATIONS

### Buffalo Club Opens Season

BUFFALO—More than 90 attended the first fall meeting of the Casualty & Surety Club of Buffalo.

Everett Hunt, counsel for the Insur-

ance Federation of the State of New York, explained provisions of the new motor safety financial responsibility law, effective Jan. 1.

J. Ellsworth Buck, president, appointed a nominating committee to bring in a slate of officers for the Oct. 13 meeting. A memorial resolution on the death of R. H. Mason was adopted.

### Discuss Liability Changes

PITTSBURGH—J. P. Renshaw, assistant manager of Massachusetts Bonding, led a discussion on recent general

liability changes at the monthly luncheon meeting of the Casualty Insurance Association. James R. Wilson, Travelers, president, urged careful study of the new provisions to avoid miscalculation.

### National Grange Va. Deviation

The National Grange Mutual Liability of Keene, N. H., is petitioning the Virginia corporation commission for authority to deviate from established automobile liability and property damage rates about 25 percent, effective Oct. 1. A hearing will be held Sept. 21.

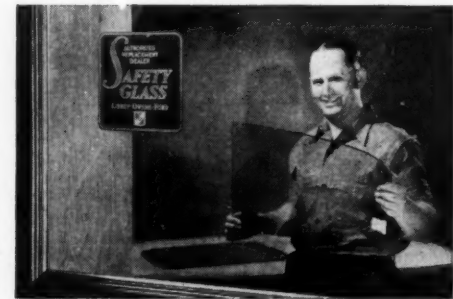
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## SURETY

## Travelers' Surety Premiums First Year Are \$953,624

J. C. Smith, secretary in charge of fidelity and surety lines for Travelers Indemnity, reports that during its first year in the fidelity-surety business, Travelers wrote 8,048 risks with premiums of \$953,624. At the end of the first year in the business, Travelers was writing fidelity-surety through 31 of its 60 casualty branches. Mr. Smith said Travelers is credited with having employed a larger staff of fidelity and surety men than any other company has done heretofore in entering the business. Most of the bonds are underwritten in the branches and all of them, including blanket bonds are prepared there.

When Travelers decided to broaden the scope of its operations to include fidelity-surety it proceeded with its customary caution and thoroughness. Satisfied with the possibilities of the line, search was then made to secure competent talent for its handling. Mr. Smith was employed as secretary of the fidelity and surety department. He, in turn, set about developing an organization. There was the utmost respect throughout the business for the type of man that was acquired. For many months not a move was made to write business. The machine was being perfected, so that at the right moment it could operate without a hitch. The method employed is in contrast to that employed by a number of other institutions in recent years.

A striking example of the brass-band method of procedure was afforded by the now defunct Consolidated Indemnity of New York. When it opened spacious offices in the downtown district some years ago it had a number of notables in the political realm make talks; music of a resounding nature was played and promises of the wide swath the company was to cut in the insurance arena were offered by its officials. After a brief season of trial and error, mainly the latter, the institution was taken over by the department for liquidation.

A further example of how not to handle fidelity and surety business was supplied by New Jersey Fidelity & Plate Glass of Newark. When the latter institution decided to take on the fidelity and surety lines, in addition to the several casualty branches in which it had been fairly successful, its chief executive held that specialized knowledge was not essential to the writing of surety lines, declaring that anyone possessed of common sense was competent to handle such business. The outcome was receivership.

### Bankers Blanket Bond Amounts Being Increased

NEW YORK—Surety companies report an increasing call from financial institutions for additional coverage under bankers' blanket bonds to protect against loss of funds held at branches at army cantonments, and also to safeguard against the theft of the huge sums of money now required for payoffs by large industrial establishments. In virtually every case the additional indemnity is granted, underwriters feeling the hazard existing during the limited period between the receipt of currency from the Federal Reserve Bank, and its transfer to army disbursing officers, is not severe. The money delivered to the branch bank offices from the Federal Reserve is carried in armored cars, and its subsequent dispatch to army posts, is protected by soldier detachments.

While surety men were apprehensive of hold-ups during the recent strike of armored car drivers, when banks were transferring funds to customers in taxis with but one or two armed guards, no losses occurred. Nonetheless under-

writers breathed a sigh of relief, when the strike was settled.

### Seek to Clarify New Code

LOS ANGELES—The new oil insurance code of Long Beach, insofar as it concerns surety underwriters, apparently lacks clarity according to a discussion at the meeting of the Surety Underwriters Association of Southern California.

The new code provides for bonds of \$1,000 for one well and \$5,000 for more than one well being sunk by the same producer. The old code provided for bonds of \$25,000 and \$250,000. The new code, according to the surety men, does

not indicate the liability status of the sureties where bonds under the new code supplant bonds under the old code for the same producer.

President W. C. Fundenberg appointed a committee headed by R. W. Graves to take the matter up and seek clarification of the ambiguity in the law.

### Execute Big Coast Bonds

LOS ANGELES—The local office of Aetna Casualty & Surety executed a bond for \$2,844,000 for the Consolidated Aircraft Co. of San Diego, covering a supplemental contract awarded the company by the navy for flying

boats. The contract is for \$20,287,017. The bond is divided into \$1,896,000 for performance and \$948,000 for maintenance. Twenty-five other companies are participating.

Fidelity & Deposit's Los Angeles office executed a bond for L. E. Dixon & Co., Los Angeles, which firm was awarded the construction of the San Vincenti dam near San Diego. The bond is for \$1,743,950. Five other companies are on the line.

A new law which has just gone into effect in Ohio requires the bonding of livestock dealers.

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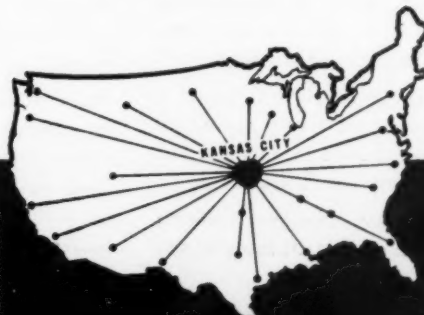
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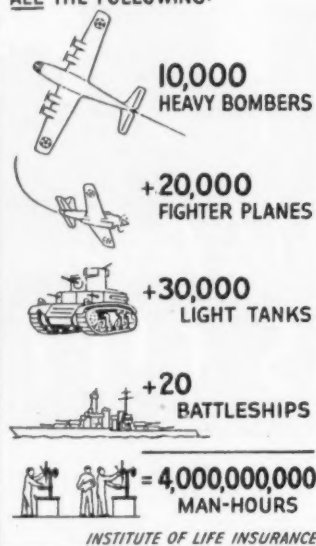
**CENTRAL SURETY AND INSURANCE CORPORATION** R. E. McGINNIS, President

## ACCIDENT AND HEALTH

### 4 Billion Man-Hours Lost Annually by Accident, Sickness

The accident rate has been accelerated by the stress of national defense production to the point where disability to workers through accidents and sickness combined amounts to four billion

IN TERMS OF DEFENSE PRODUCTION, MAN-HOURS OF WORK BEING LOST THIS YEAR THROUGH ACCIDENTS AND SICKNESS ARE THE EQUIVALENT OF ALL THE FOLLOWING:



man-hours on an annual basis, according to the Institute of Life Insurance. Part of this loss is being offset to the individual through insurance benefits, but the man-hours lost to defense production cannot be replaced.

### Chicago Program for Year Is Reviewed

Plans for the coming year were outlined at the first fall meeting of the Chicago Accident & Health Association by C. F. Lundquist, Fred S. James & Co., president. Under the new setup W. W. Pierce, Massachusetts Indemnity, first vice-president, will be in charge of programs and C. S. Revenaugh, second vice-president, in charge of membership. An extensive effort will be made to increase the membership and to get new blood so as to relieve the old timers who have been carrying the brunt of the association work. It is planned to secure outstanding outside speakers supplemented by special educational sessions such as proved popular last year. Because of the greater necessity for watching tax and other legislative proposals, more attention will be paid to legislative work.

#### New Company Plan Suggested

A proposal to establish a \$10 company membership was presented by H. R. Gordon, Health & Accident Underwriters Conference. Such membership would entitle the company to five members. Local companies have a number of young underwriters who would be interested in joining under such a plan, he said. After considerable discussion, Mr. Revenaugh was appointed chairman of a special committee to work out a new plan of membership fees.

A novel idea in naming committees was introduced by Mr. Lundquist. A questionnaire was passed out so that the

members could indicate the committees upon which they wish to serve.

Preliminary plans for the executives dinner that was inaugurated by the Chicago association last year, were explained by Mr. Gordon. It probably will be held in November and instead of honoring some particular man, it is expected tribute will be paid to the heads of the various company organizations.

### National Officers Confer in K. C. on Mid-year Meet

KANSAS CITY — Clyde E. Dalrymple, president, and George L. Dyer, Jr., first vice-president of the National Association of Accident & Health Underwriters, will be in Kansas City Thursday to confer with officers of the Kansas City association on plans for the mid-year meeting here in January, 1942. F. G. Packwood, Massachusetts Bonding, Kansas City, is general chairman for the meeting.

The Kansas City association, of which Minor Z. Abell is president, advanced its September meeting from Friday to Thursday and the visiting officials will

be honor guests at the luncheon. George Swaney, Washington National, will be chairman. The subject is "The Pad and Pencil Before the Prospect," with short sales talks by various members.

### Iowa Group Law Modified

DES MOINES—Modification of the group insurance law in Iowa by the last legislature to include commissioned agents has resulted in increased business. The law was modified principally so that insurance agents could come under the group plan, but it now includes all types of agents working on commission and has created an entirely new field.

The law was changed to apply where a contractual relationship exists between a common principal and any group or persons similarly engaged. The state medical society had contemplated a group plan for all of the physicians in the organization but attorneys for the society decided there was no contractual relationship existing and that the group fell outside the provisions of the law.

### Denver Association Changes Name

DENVER—Pointing out that membership is now higher than ever before, H. M. Simpson, Federal Life, president

Denver Accident & Health Association, at its first fall meeting urged that the group embark on an aggressive membership campaign, with each pledged to bring one or more new members to the next meeting. Mr. Simpson recalled the early days of the Denver Life Underwriters Association and said that at the same age the accident and health group has almost identical number of members. He proposed that a sales congress be held following the membership drive.

E. F. Gregory, Security Life & Accident, reported on the national convention, and urged that the membership campaign be especially designed to bring in the agent. In conformity with the new name of the national group, the local association changed its name to Denver Accident & Health Underwriters Association.

### Martin Is Columbus Speaker

The Columbus Accident & Health Association held its first luncheon of the year Sept. 8. V. G. Martin, executive secretary Ohio Association of Insurance Agents pointed out the evils of allowing unauthorized companies to do business in Ohio by mail. He was formerly with the Ohio insurance department. Mr. Martin further called attention to the importance of all insurance organizations forming a united front to protect

### Good man gone wrong



Something snapped in a good man's makeup—the familiar story of embezzlement which annually exacts a toll of more than \$200,000,000 from American business.

Human weakness is unpredictable, but a Standard Fidelity Bond protects the employer against all such hazards. It is easy to sell because it talks the employer's language.

And it is *timely* coverage. National Defense calls for full protection against all interrupted

production—whether caused by dishonesty losses, or the hazards of burglary, robbery, accident and liability.

We are prepared to help you! A coast-to-coast chain of Standard offices is expertly staffed to provide complete, prompt underwriting, safety engineering, claim and production service. Call on us *now* for ready aid in supplying proper Casualty and Bonding coverage for business, industry and individuals.

## STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884



the interests of all lines of insurance carriers.

The name of the association was changed to Columbus Association of Accident & Health Underwriters to conform with the new name of the National association.

#### Lindsay Appointed in Brockton

The Columbian National Life has appointed Hugh Lindsay general agent in Brockton, Mass.

Mr. Lindsay started in the accident and health business and for some time he was field supervisor for the accident and health department of the U. S. Casualty. He joined the Columbian National's agency department in 1937. Subsequently he became brokerage manager for the Shearer home office agency in Boston.

Leonard N. Swift, who formerly headed the Brockton agency, is retiring after 27 years' service. He will continue to supervise his own personal business as associate general agent.

#### Discuss New Examination Plan

At the first meeting of the Indianapolis Accident & Health Club, diplomas were presented to those who passed examinations in a short course training school sponsored by the Indianapolis club in June.

The new examination plan for accident and casualty agents which is being formulated by the Indiana insurance department was discussed. It is expected a plan will become effective about Oct. 1 under which all new accident and health men will be required to pass a written examination before license is issued.

#### Pittsburgh Golf Tournament

PITTSBURGH—The Pittsburgh Accident & Health Insurance Association held its golf tournament and dinner at the Shannopin Country Club.

Frank Meisel, North British & Mercantile, president of the Insurance Club of Pittsburgh, won two prizes. F. W. Hale, Mutual Benefit Health & Accident, won the Hooper-Holmes Trophy. Other prize winners were H. W. Jamison, Preferred Accident; W. D. Allison, T. Emmett Maher, Hooper-Holmes, and L. E. Dean, Hopkins Agency.

Ross F. Roberts, Pittsburgh general agent of Loyal Protective Life, has appointed J. S. Calhoun to handle business in McKeesport, Pa., and vicinity.

W. W. Ladley of Pittsburgh, has been appointed manager of the accident and health department of the D. Sherman Ellison agency, South Bend, Ind. He specialized in that field in Pittsburgh.

## COMPANIES

### Examiners Boost F. & D. Surplus

As a result of a convention examination, net surplus of Fidelity & Deposit has been increased \$1,639,625 beyond what the company claimed as at Dec. 31. This was brought about by taking down certain special reserves, by increases in asset values and by reductions in liabilities. There was an increase of \$590,979 in salvage recoverable on paid losses, decrease of \$100,000 in taxes payable, decrease of \$709,476 in unpaid losses and claims, but there was an increase of \$172,889 in the reserve for unpaid loss adjustment expenses. There was transferred to surplus a reserve of \$250,000 for building replacement and a special reserve of \$120,000.

The assets according to the report, were \$27,070,069, capital \$2,400,000 and net surplus \$12,141,209.

The convention examination of the affiliated American Bonding resulted in an increase in surplus of that company

by \$12,352. Assets are \$2,098,789, capital \$1,000,000 and net surplus \$864,011.

#### Companion Companies Gain

Satisfactory progress marked the first six months of operation for Hawkeye Casualty of Des Moines and its companion company, Illinois Casualty of Springfield, Ill.

Hawkeye Casualty's premiums totaled \$552,770 as compared to \$383,727 for the same period a year ago.

Illinois Casualty's six months writings were \$312,808 as compared to \$264,034 in 1940.

Underwriting results were profitable

with particular improvement in personal injury loss ratios and a tendency toward rising loss ratios in the collision coverages.

Hawkeye Casualty continued to pay its regular quarterly dividend of 20 cents per share on its common stock and 5 percent on its preferred. As of June 30 Illinois Casualty paid a dividend of \$1 per share.

#### Continental Casualty Director

The board of Continental Casualty has elected Edison Dick, vice-president and a director of the A. B. Dick Co.,

Chicago, a director. Mr. Dick will fill the vacancy caused by the resignation of R. W. Hyman.

#### Buys Canadian Office Building

TORONTO—United States Fidelity & Guaranty has purchased the building it now occupies for its Canadian home office. The building which is at King and Victoria streets will be known as the Fidelity building. U. S. F. & G. entered Canada in 1903 and in 1922 formed a running mate, the Fidelity Insurance Company of Canada. It has occupied its present quarters since 1937.



## SERVICE *beyond the contract*

**W**HEN you sell your assured an American Fidelity & Casualty policy, you actually give him more than he pays for! The policy he buys protects his legal liability for personal injury and property damage—but, *in addition*, he receives an important *plus value* in Markel Inspection Service!

Markel Service maintains trained inspectors who are constantly on the highways watching for traffic violations, excessive speeding, and other infractions of the law made by drivers of trucks and buses bearing the Markel insignia.

And Markel Service has been successful in educating drivers along safety and first aid lines.

These added advantages offered by Markel have been a boon to truck and bus operators because they have lowered insurance rates . . . increased efficiency . . . made deliveries more certain!

Your assureds will be anxious to avail themselves of these important extras! They'll be grateful to you for recommending a company that renders SERVICE BEYOND THE CONTRACT!

## AMERICAN FIDELITY AND CASUALTY Co., Inc. MARKEL SERVICE, Inc.

EXCLUSIVE UNDERWRITERS  
HOME OFFICE: RICHMOND, VA.

Principal Branch Production Offices:  
NEW YORK • LOS ANGELES • CHICAGO • DALLAS • SAN FRANCISCO • BOSTON



## CHANGES IN CASUALTY FIELD

### Preferred Accident Names Assistant Manager, Others in Chicago Office

A. B. Strom, special agent, has been named assistant manager of the mid-western department of Preferred Accident, Chicago. He joined the company in 1939 and had been in the field in the midwest until last January when he was called in the office by Manager Walter H. Clanahan to handle agency problems and personnel.

Prior to joining the company, Mr. Strom had been a producer for Employers Mutuals of Wausau, Wis. For a time he operated a local agency in Elgin, Ill., and had also been engaged in the banking and retail credit business there.

Frank J. Cash has been named resident special agent in Iowa and southern Minnesota for Preferred Accident. He has most recently been connected with the Live Stock National agency at Sioux City, Ia., and had operated his own local agency at Spencer, Ia.

William A. Owens becomes special agent in Wisconsin and northern Illinois. He had been six years with Standard Accident in Chicago as cashier and underwriter of all lines, specializing in accident and health. Prior to this he had spent two years with Continental Assurance in Chicago.

James H. Alter has joined the underwriting department. He has had two years underwriting experience with Manufacturers Casualty in Chicago.

### Leseth with Standard Accident in Illinois

Sherman Leseth has resigned as special agent for Glens Falls and Glens Falls Indemnity with headquarters in Chicago to become northern Illinois special agent for Standard Accident. Mr. Leseth is very well known in the field and has many fire insurance as well as casualty friends. He was recently elected guardian of the Illinois Blue Goose.

Mr. Leseth had been with Glens Falls Indemnity the past six years traveling Illinois outside of the Chicago metropolitan district. Previously for seven years he was in the Illinois field for Metropolitan and Commercial Casualty. He started in the business in 1918 with Massachusetts Bonding in the claim department in Chicago. Then he went with Globe Indemnity as payroll auditor and also did some field work. In 1927 he went with London & Lancashire Indemnity as special agent and then for a time operated as a broker. His next move was to Metropolitan and Commercial.

### Bituminous Casualty Names Creamer, Shifts Golz

W. J. Creamer, for 18 years in charge of the casualty department of the Crane Agency in St. Louis, has been named St. Louis branch manager for Bituminous Casualty, replacing Roy Hesse, resigned.

H. A. Golz, formerly with the underwriting department in the home office, has been transferred to the Chicago branch office as special agent.

Bituminous has scheduled a conference of branch managers and general agents for Sept. 15-16.

### Philadelphia Setup Announced

Charles M. Fresch, Jr., has been placed in charge of production and agency supervision, and Karl H. Wilson assumes responsibility of underwriting and branch office personnel duties in the Trinity Universal Philadelphia office.

Mr. Fresch was a special agent for Trinity Universal in eastern Pennsylvania. He first entered the insurance field in 1923, after attending the United States Naval Academy, with North

British & Mercantile. His casualty career began in 1927 when he was appointed special agent in Philadelphia for Aetna Casualty, later joining Independence Indemnity as special agent in south Jersey and a portion of eastern Pennsylvania. In 1932, Mr. Fresch went to Great American Indemnity as field supervisor for eastern Pennsylvania and Delaware. He continued in that post until last December, when he joined Trinity Universal.

Mr. Wilson in 1928 went with Fidelity & Casualty in Harrisburg, Pa.

Trinity Universal maintains offices at 401 Walnut street, Philadelphia, with complete underwriting and claims facilities for Pennsylvania, Maryland, Delaware and the District of Columbia.

### Dingwell and Prince Promoted

BOSTON—Lester R. Dingwell, formerly resident manager of the western Massachusetts department of the Employers' group, has been called to the home office to handle large risks. Mr. Dingwell is particularly well qualified, having spent many years handling large risks throughout New England.

Raymond Prince, Jr., succeeds Mr. Dingwell as resident manager of the western Massachusetts department.

Mr. Prince joined the Employers group in 1932 as an underwriter in the middle department in Philadelphia. He was later promoted to chief underwriter in Harrisburg after having served some time in the field. From there he was transferred to the western Massachusetts department as assistant to Mr. Dingwell.

### Harmon with Seattle Group

SALT LAKE CITY—C. S. Harmon, claims examiner for Fidelity & Casualty in the intermountain territory, has resigned to become mountain states manager for Northwestern Mutual Fire and Northwest Casualty of Seattle. Headquarters will be maintained in Salt Lake.

### Nanfeldt in Des Moines Post

DES MOINES—O. M. Nanfeldt, formerly assistant to the chief engineer of Zurich in Chicago, has been appointed chief safety engineer of Employers Mutual Casualty of Des Moines. He had been with Zurich since 1935 and is a graduate of the University of Connecticut.

### Boyd Made Lexington Manager

Tom Boyd, Lexington, Ky., assistant engineer of the University of Kentucky division of maintenance and operations, has been appointed manager of the Lexington agency of the State Farm companies, covering Fayette and adjoining counties in central Kentucky.

### R. E. Donohoe with Zurich

R. E. Donohoe has resigned as special agent in Illinois for Manufacturers Casualty to become field assistant for Zurich. He is becoming familiarized with the Zurich setup and later will be assigned to a definite field. Manufacturers Casualty has reduced its Chicago office from a branch to a service unit and has discontinued writing new and renewal business in the territory.

### Waterbury to Pittsburgh

PITTSBURGH—Kenneth Waterbury, with the home office of Preferred Accident for some time, is being transferred to Pittsburgh as chief underwriter of the mid-eastern department.

Bruce Burt, who has been in charge of underwriting, is being assigned to northwestern Pennsylvania as special agent.

### Kelleher to Kansas City

William Kelleher, 20 years with the Travelers, has arrived in Kansas City to take charge of casualty underwriting at the branch there. He goes from a similar position with the office at Dayton,

and had previously served in Minneapolis and Washington.

He succeeds Frank H. Tormoen, who has joined Thomas McGee & Sons.

### Hancock to U. S. Post

C. H. Hancock has been appointed district compensation officer in San Francisco by the United States Employes Compensation Commission. He formerly was with Metropolitan Casualty and New York Indemnity as adjuster, safety inspector, underwriter and field man.

Bruce Bartley, attorney in the home office of United Pacific, has resigned to enter private law practice.

J. R. Abernethy of Columbus, O., has resigned as county delinquent tax collector to go with the claim department of Lumbermen's Mutual Casualty in Chicago.

### Insurance Men on Kiwanis Board

Frank L. Barnes, agency vice-president of Ohio State Life; Paul E. Buehler, Beacon Mutual Indemnity, and Charles L. Converse of the Charles L. Converse Insurance Agency have been nominated for directors of the Columbus Kiwanis Club.

## PERSONALS

J. P. Keevers, resident vice-president of Maryland Casualty in Chicago and president Illinois Insurance Federation, was presented an engrossed, illuminated testimonial on vellum by the federation and Insurance Advisory Council of Illinois, recognizing his administration's success in legislative activities. A photostatic copy was transmitted to President E. J. Bond, Jr., of Maryland Casualty. A special committee prepared the testimonial, consisting of G. H. Moloney, vice-president Hartford Accident; W. H. Hansmann, vice-president Fidelity & Deposit, and W. O. Schilling, manager U. S. F. & G.

Charles R. Miller, board chairman of Fidelity & Deposit visited Portland, Ore., to confer with R. E. Pinney, resident vice-president.

Byron D. Williams, superintendent of the group department of the W. G. Gastil agency of Connecticut General Life in Los Angeles, was seriously injured and his wife fatally injured in an automobile accident near Wolf Point, Mont. Mrs. Williams died about an hour after the accident. Mr. Williams now is confined to the hospital at Wolf Point, suffering from a fractured left clavicle, five



## "You bet I like the Bituminous"

"I remember when my boss used to wish that he could find just ONE company that really WANTED to underwrite workmen's compensation insurance."

"And I remember, too, all those letters I had to write on almost every compensation prospect—'shopping'—not for a low rate but just for a good policy at any price."

"Then one day we wrote a letter to the Bituminous Casualty and—"

"Just to shorten it up, we've doubled the compensation volume on our books, our policyholders like the claim and engineering service and—"

"Well, we just LIKE it that way!"

"You'd better try it, too!"

**BITUMINOUS CASUALTY CORPORATION**  
 ROCK ISLAND ILLINOIS



fractured ribs and severe head lacerations. They were motoring to Lawsonia, Green Lake, Wis., to attend the annual agency convention of the company.

Mr. Williams is a past president of the Accident & Health Managers Club of Los Angeles, and was chairman of the program committee that put on the successful convention of the National Association of Accident & Health Underwriters there in June.

**V. A. Peterson**, Pacific Northwest manager of Accident & Casualty, is recovering from a back injury which has kept him confined to a Seattle hospital.

**John S. Love**, vice-president of Home Indemnity, concluded a tour of the coast field in Seattle. He returned to New York via Vancouver and the Canadian Rockies.

**Leland C. Griffith**, district manager Continental Casualty, Pueblo, Colo., suffered a fractured ankle in a fall at Grand Junction, Colo.

**Arthur H. Pfeiffer**, burglary underwriter, and **Charles J. Wood**, automobile underwriter, with the Aetna Life affiliated companies observed their 25th service anniversaries.

**Viscount Knollys**, managing director of Employers Liability in London, has been appointed governor and commissioner in chief of the island of Bermuda. He is deputy chairman of the Aviation & General and has served with distinction as deputy and regional commissioner for civil defense in southeastern England. During the last war he served as captain in the army and as flight lieutenant with Royal Air Force in France and was familiarly known as the "Flying Peer." He will succeed Lieut. Gen. Sir Denis Kerwan Bernard in Bermuda and is the first civilian to hold that office. He has made frequent visits to the United States branch of the Employers in Boston and visited various parts of the United States and Canada.

**Henry Collins**, United States manager of Ocean Accident, and Mrs. Collins are vacationing at Colorado Springs. They arrived in time for the season's first snow, which provided quite a change from early autumn warmth of the east.

## DEATHS

**Edwin F. Smith**, prominent insurance lawyer of Jersey City, died at his summer home at Point Pleasant, N. J., after a brief illness. He was 65. Mr. Smith was chief counsel for a number of companies in New Jersey and represented New Amsterdam Casualty, insurer of the United States Radium Company, in the famous \$1,250,000 radium poisoning suit of five women employees in 1928.

**John F. Brandmier**, 51, vice-president and general counsel of Federal Life & Casualty of Detroit, died at his home. He graduated from the University of Minnesota College of Law and he had been connected with Federal Life & Casualty since 1920. He was elected vice-president in 1925.

**Daniel A. Lenihan**, 48, connected with the claim department of the Ocean Accident for 15 years, died at his home in New York last Saturday.

**John S. Royal**, 65, manager liability department of Gilmour, Rothery & Co., Boston, for 33 years, died following a long illness at his home in Winthrop, Mass. He had previously been with the Travelers.

**E. M. Canwright**, 48, superintendent of the court bond department of the up-town Philadelphia office of Fidelity & Deposit, died at Clinton, Mass., as a result of injuries suffered in an automobile accident. He had been with F. & D. since 1928.

### New Auto Finance Plan in N. Y.

NEW YORK—For the benefit of agents in New York state who will be writing considerably more automobile insurance when the new financial re-

sponsibility law becomes effective Jan. 1, Allan C. Stevens, president Great Eastern Fire of White Plains, and originator of the Stevens Plan for financing automobile premiums, has created a new method under which agents may finance premiums with their own funds; assign the notes to banks as security for additional money if needed; or the banks may supply the funds to the local agents. The rate chart shows the down payment; the unpaid balance and amount of each subsequent payment from \$20 to \$198. The service charge to assured in no case will be less than \$2 and is in-

cluded in the down payment collected by the agent.

### Assigned Risk Plan in N. Y. Now in Final Stages

NEW YORK—Having prepared a plan for handling assigned risks in connection with the financial responsibility law which becomes effective in this state Jan. 1, the joint committee responsible for drafting the agreement will submit it to representatives of the New York agents' association and of the various

brokers organizations in this city on Thursday. Unless changes in the plan are determined upon as a result of the conference, it will be laid before Superintendent Pink on Friday, when representative stock and non-stock carriers will make clear to the governing officials any features of the proposed plan about which they may be in doubt. Motor Vehicle Commissioner Mealey is expected to attend the gathering at the department office on Friday.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

**"Unforeseen events . . . need not change and shape the course of man's affairs"**



*This kind of advertising makes friends for Maryland agents and brokers among prospects for all casualty and surety lines.*

**TIME FORTUNE  
NEWSWEEK  
BUSINESS WEEK**

## THESE SHOES CAN'T BE FILLED . . .

They do not look important . . . they are worn and scuffed and turned up at the toes.

But every scratch on them brings back a vivid memory . . . of acrobatics on a back-yard fence . . . of gay romps with a shaggy pup . . . of an express wagon, propelled by a tireless right foot . . . and, most vivid of all, of a cruel impact with an automobile bumper and the merciless harshness of an asphalt street . . .

No work of The Maryland passes in importance

the crusade it undertook years ago to reduce the toll of automobile accidents, which cost the lives of three thousand children yearly.

By instruction in schools and among motorists and in advertisements such as this, The Maryland constantly seeks to prevent emptiness in many thousand pairs of shoes and in the hearts of fathers and mothers everywhere. Will you help save the lives of children? Drive with care . . . every minute! Maryland Casualty Company, Baltimore.

# THE MARYLAND

Practically every form of Casualty Insurance and Surety Bond, for business, industry and the home, through 10,000 agents and brokers.

## Morse Is Elected Iowa President

(CONTINUED FROM PAGE 18)

The consumer cooperative movement was discussed vigorously by R. L. DuBois, Indiana state agent of North British & Mercantile, Indianapolis, as it affects profit business.

Consumer cooperatives are spreading their propaganda through schools, churches, and finally the government. They are getting financial aid and assistance from the federal department of agriculture, he said. He stressed the fact that mutual fire and casualty companies are not paying the same rate of federal taxes as is paid by profit type businesses.

### M. W. Mays Is Heard

Milton W. Mays, director of the Business Development Office, discussed the need for selling plans by agents.

William J. Davis, assistant manager of the Automobile Protective Information Bureau, Chicago, presented the "Fire Film." This shows how difficult it is for fire to destroy the modern automobile without human assistance, and has been invaluable in gaining the assistance of police and fire officials in investigating suspicious auto fire losses. Ed Harkness of the auto theft bureau, St. Paul, assisted Mr. Davis.

At a breakfast Wednesday H. C. Brown reported as national councillor, chairman executive committee and for the safety committee; B. C. Hopkins reported on membership; Mr. Jefferies on legislative matters; Paul Nelson on local boards; J. W. Carberry, fire prevention. Host was Inter-Ocean Reinsurance, with President Roy E. Curran representing the company.

The presentation of an array of outstanding educational talent continued Wednesday with the treatment of "Inland Marine" by V. W. Souders, western department marine manager of Fire Association Chicago, and the talk on "Accident and Health Insurance" by R. C. Larson, field supervisor of Aetna Casualty.

Comprehensive liability policies constitute one of the best selling approaches the agent has had in a long time, John H. Egloff, supervisor of agency field service for Travelers, stated. It also is an opportunity for the agent to add prestige in the public mind for both himself and insurance.

Aetna Casualty's film, "Say it in English," was the highlight of luncheon Wednesday.

With Mr. Cockburn as toastmaster and President Jefferies presiding, the banquet was a brilliant affair. More than 500 overflowed the banquet hall.

Speakers included Commissioner Fischer, who admonished agents to continue to build a strong organization; Lieutenant-governor Hickenlooper; Payne Midyette; R. W. Forshay, and Rev. John Hubbard, Park Ridge, Ill. Maurice Herrick, chief of the complaint division of the Iowa department, was introduced.

C. G. Green and Robert I. Safely, pioneer Cedar Rapids agents, were given a hand. Both are charter members of the local board. Mr. Green had been active in insurance 63 years until he retired a few months ago, and Mr. Safely has operated the Safely Co. agency since 1890. His agency wrote the second compensation policy issued in Iowa.

Iowa will continue to fight for an agents qualification law, it was emphasized at the Wednesday breakfast for agents. The next bill will be harmonized with all interests and an even larger membership will be sought for this and other purposes.

In mind for the future is a full time paid secretary, a suggestion that produced strong demonstration of appreciation for Secretary Cutter, who has done a splendid job for a number of years.

Cooperation of agents will be needed in making effective the Farm Underwriter's Association's 4 H scholarship program, Mr. Forshay said, predicting for it tremendous long range public relations effect.

Mr. Jefferies becomes chairman of the executive committee and president

of the past presidents advisory council with Chester Ford elected council secretary.

John J. Hall, of the National Conservation Bureau, made an impromptu appearance Wednesday morning.

## ENLIST JUDGES

Archie Millard of Grand Rapids, Mich., addressing the convention of the Iowa Association of Insurance Agents, exhorted his listeners to induce the judges in their communities to assume leadership in the highway safety crusade. Mr. Millard said that the judiciary can exert a potent influence and that they should be enlisted in the campaign.

It is estimated that the 50,000 members of the judiciary in the country hear annually 150,000,000 traffic violation cases. If the judges would preach safety to motorists on these occasions they would be performing a service of the utmost value. Moreover, the judges should be persuaded to appear on the platform in behalf of highway safety.

If the judges would display such initiative, Mr. Millard predicted that the morale of the traffic officers would improve sharply.

The judges, he said, should go to the trouble of explaining why a fine is imposed. They should cite the facts about accidents to which the violators have contributed.

Mr. Millard is chairman of the accident prevention committee of the National Association of Insurance Agents and he has been a very effective worker.

In an address this week before the Iowa Association of Insurance Agents at Cedar Rapids, Payne H. Midyette of Tallahassee, Fla., president of the National Association of Insurance Agents, reviewed a list of the problems upper-

most in the minds of agency leaders, analyzed the public relations situation and suggested ways in which agents and companies can do a better job from a public relations standpoint.

Mr. Midyette said the local agents of the country had done an unusually good job. He pointed to the results of 1940 which revealed that stock fire companies increased their premium writings over the previous year by more than 14 percent and achieved a volume which now represents over 82 percent of total premiums on fire and allied lines. The stock casualty companies had increased their writings by 6.25 percent over 1939 and now account for over 77 percent of the total. In the first six months of 1941 the stock casualty companies had an increase of 11 1/2 percent. These figures, he said, demonstrate the substantial production job which the agents are accomplishing.

These accomplishments must be supplemented, however, he declared, by a better presentation by the agents of the story of what the agent is doing and what his operation consists of, in order that the average individual might be disabused of the belief that whatever percentage of commission the agent may receive, it is all profit.

### Remove "For Hire" Bsm

NEW YORK—Directors of the National Automobile Underwriters Association at their meeting Wednesday decided to follow the example of the casualty companies in removing from automobile fire and theft policies the prohibition against carrying passengers for hire, and likewise eliminated the driving age limit, the concession, however, does not permit a car to be used as a public or livery conveyance.

### Edwards Goes to Louisville

LOS ANGELES—The Employers group has transferred Austin M. Edwards, assistant underwriter in the Los Angeles branch office to Louisville as supervisory underwriter.

**Honest, Conservative and  
Progressive Agents  
like the**

**"SUBURBAN AUTO"**



### BECAUSE:

**Day & Nite, Coast to Coast,  
Claim Service  
Independent Rates  
Simplified Rate Book  
Strong Financial Position**

**Premium Income in 1940 over**

**\$500,000.00. Assets over**

**\$800,000.00**

**Available Territory in Illinois,  
Indiana, Iowa, Ohio,  
Mich. and Minn.**

**SUBURBAN AUTO  
INSURANCE COMPANY  
WHEATON ILLINOIS**

**If You Want to  
Improve Your  
Automobile and  
Casualty Facilities—**

**A POST CARD WILL BRING YOU  
FULL INFORMATION ABOUT OUR  
DESIRABLE AGENCY CONTRACT**

**UTILITIES INSURANCE COMPANY**

ST. LOUIS, MO.

**Direct contracts available for conservative  
and successful agents in Illinois, Indiana,  
Missouri, Ohio, Nebraska, Colorado,  
Oklahoma, Kansas, Tennessee and Texas**

**No  
Business  
Direct**



**NATIONAL SURETY  
CORPORATION**

**VINCENT CULLEN  
President**



## Assured Need and Are Buying More

(CONTINUED FROM PAGE 5)

additional premium involved was substantial.

A man who a year ago was conducting a small business in the basement of his home today has a plant and operates three shifts of 50 employees each. This situation has been repeated in hundreds of less spectacular cases all over the country.

In setting up a fire insurance schedule on a reporting form, the agent ordinarily provides for  $\frac{1}{4}$  to  $\frac{1}{2}$  more cover than the actual values indicate. Yet on quite a number of such policies well under a year old the values revealed in the monthly reports are building up to more than the insurance carried. Assured may be able to acquire large supply of raw stock, which, under present conditions, he certainly is going to do; values of stocks in whatever state of processing may spurt upward; he may add to his plant or business establishment or improve it and, of course, all the time the value of his building, machinery and equipment is increasing at a steady, rapid pace.

There are so many examples that the agent willing to work can readily find one that is graphic and action compelling for assured in almost any type of activity. A can of peaches on a grocer's shelf that a week ago cost 20 cents today costs 25 cents. This increase of 20 percent in price may have come partly from the wholesaler and partly from the retailer, but in either case the increased value is there and needs protection.

### Big Demand for Reinsurance

Another phase of the situation is reinsurance. There is a vastly increased demand on direct writing companies for reinsurance. They are scrutinizing the offers carefully. In most cases companies are not taking any more net direct liability than before, and in some cases, due to the war hazard, are taking less. Yet because of higher costs and prices the requests for reinsurance between direct writing companies are enormous, and the market is "lightning." Reduction in foreign reinsurance facilities, notably in France, Germany and Italy and to some extent in Switzerland and England, has played its part.

Although agents have been active, many businesses still are underinsured. This is partly due to the fact that the insurance is the last thing in the present situation to which consideration is given by assured. He is too wholly occupied with production problems. Agents report that it is impossible to get in to talk to some assured, and they cannot be reached even by letter or phone. The only solution to a problem of this kind is to keep after it.

Many agents are using a yardstick of 15 or 20 percent in talking to assured about additional cover. This is very conservative, and works well with both the business and industrial plant as well as the residential properties.

As a matter of fact, residential property has received little if any attention from agents. Yet the need is great for increasing cover on homes. Replacement values are up at least one-fourth. It will probably be a little more difficult to sell additional protection on residential property since the owner doesn't have increased costs impressed upon his mind so frequently as in his business. He goes thoroughly into the cost of building a home about once a lifetime.

However, for the average agent who can service his business and industrial assured in a rather short time, the residential field offers a considerable opportunity. One agency that has been over all assured on its books to increase protection on business and manufacturing risks is using an identical approach to the problem of selling more adequate coverage on residential properties. It is beginning to get the same kind of results; that is, when the situation is pointed out to the assured, it is a simple problem to sell him additional cover.

All that is necessary is to put before the prospect an illustration of what is happening to building and furnishing costs. It has been suggested that the agent take a typical home, his own or that of some one he knows well, list the various original costs of building and furnishings; set up in the adjoining column present costs, which can be secured rather readily, and in a third column in red ink show the differences, which represent deficiencies in insurance cover.

While an agent can't sell additional protection on all assured on his books, he should contact every one of them and lay before him the story of what is happening. He will sell a larger percentage, and in case of loss assured will recognize that he has discharged his responsibility in the matter.

## May Guard Against Priorities Penalty

(CONTINUED FROM PAGE 3)

sible to make them for practical purposes."

The American companies have no intention, at least at this time, of adopting the stringent regulations proposed by the All Canada Insurance Federation for dealing with risks affected by government priority edicts. While priority regulations in this country will work hardship on a number of industries, underwriters appreciate the reverse will hold as to plants engaged in war defense work. It is recognized further that manufacturers and merchants, realizing the difficulty and expense that would now be entailed in replacing damaged stock and machinery if these be at all procurable are exercising unusual precautions to safeguard against fire. In other words, the moral hazard has been largely eliminated from the various division of use and occupancy insurance.

### Chicago-Milwaukee Outing

The Surety Association of Chicago will be host to members of the Surety Association of Milwaukee at an all-day outing Friday at the Sunset Ridge Country Club. Robert Munsell, Ocean Accident, Chicago, is chairman of the entertainment committee, assisted by J. J. Woodmansee of Century Indemnity and James Henry of Travelers.

Roy Duffus of Rochester, N. Y., went to Daytona Beach, Fla., to give a series of lectures at the insurance institute sponsored by the University of Florida and the Florida Association of Insurance Agents. He was accompanied by Mrs. Duffus and two sons, and on the return trip will stop off at Hiram College, Ohio, where his oldest son, Roy Jr., is entering his freshman year.

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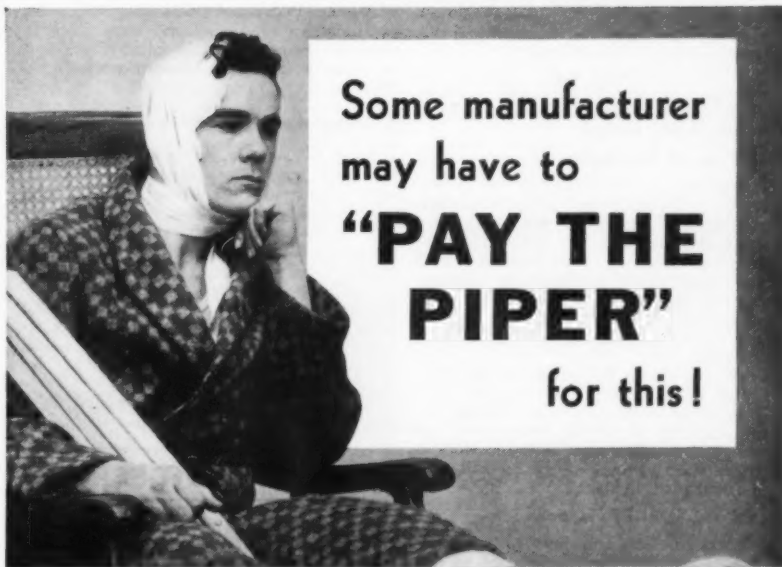
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tion, provides thorough and comprehensive coverage in cases of this type. And its potential value to the buyer far exceeds its moderate cost. Write for complete details.

## Claim Group Has Annual Rally

(CONTINUED FROM PAGE 21)

tions of the practice were discussed and reasons given for their adoption.

The laws apply in Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas and Washington, and are derived largely from French and Spanish legal philosophies. A special situation holds for Oklahoma where a recent statute permits filing of written consent to community property status with the state authorities.

John W. Fischbach, Minnesota Mutual Life, read the report of the legal committee, of which he was the chairman. This consisted of a study of reinstatement.

Reporting as chairman of the essay contest committee, J. Edwin Dowling presented checks to the winners in the life and accident and health sections.

Col. Louis Johnson, former assistant secretary of war, gave a spirited address on "America at the Cross Roads." America must decide whether it is with the countries prepared to abolish family life or whether it is with those countries continuing their belief in the family and family justice, he said.

### O'Connor's Talk

"We want to discharge our valid liabilities immediately they are determined, but irregular or improper demands require us to develop every possible source of information," P. J. O'Connor, assistant secretary General American Life, and vice-president of the association, told members. Mr. O'Connor became ranking officer upon the recent death of C. E. Anstett.

Mr. O'Connor suggested that in irregular cases involving double indemnity or disappearance companies should report them to some appropriate bureau which can relay notice to each interested company. Thus they may compare facts if they are not already exchanging correspondence. Often enough the claimant omits other insurance from claim blanks and a central clearing house would certainly be one way of extending the cooperative activities of the claim association, Mr. O'Connor said. This procedure might prove of particular advantage in the handling of claims within the contestable period.

### High Cost of Accidents

The present world situation has closed doors on certain avenues of information, thus creating problems for both the present and the future as to the identification of deceased policyholders and their beneficiaries residing in foreign countries, Mr. O'Connor pointed out. This is only one of many things that places an added responsibility upon the claim man.

With the rising tide of accidents precipitated by defense production, accident and sickness combined are costing the nation nearly 4 billion man-hours of working time on an annual basis, Holgar J. Johnson, president of the Institute of Life Insurance, declared.

### Translated into Production

"These 4 billion man-hours now being lost through disability, if applied to defense production, would be enough to produce 10,000 heavy bombers, 20,000 fighter planes, 30,000 light tanks, and 20 battleships," Mr. Johnson said.

"Part of the loss to the individual workmen is being offset by insurance benefit payments, but the loss of man-hours to industrial production in this period of national emergency cannot be replaced. Through accident and health, disability, workmen's compensation and hospitalization insurance more than \$400,000,000 annually is being paid out by insurance companies to American

families for accident and sickness claims. This compares with \$78,000,000 annually in the preparedness days of 1917."

Calling for cooperation by claim men, Mr. Johnson stated that accidents and sickness can be effectively reduced through accident prevention and health hygiene work.

"In the past 25 years, the accidental death rate has been reduced by 10 percent," Mr. Johnson pointed out. "Since accident and sickness cost the country \$10,000,000,000 a year, this is a saving of \$1,000,000,000 per annum. In one group of factories, total absences from sickness and accidents were reduced by 29 percent through directed efforts over a few years. But accident prevention and health hygiene programs should reach out beyond occupational causes in plants and into the homes of the workers since the larger part of our time-loss comes from non-occupational disabilities."

## Willis Smith Is New Head of Lawyers Organization

(CONTINUED FROM PAGE 21)

The next morning Paul J. McGough, Minneapolis, reported as chairman of the committee on life insurance. The subject was the effect of divorce where the wife was beneficiary of her husband's policy. Chairman Melvin M. Roberts, Cleveland, read the report of the committee on casualty insurance.

"Meeting Medical Proof" was the subject of a paper by Robert E. Dineen, Syracuse.

Clarence W. Heyl, Peoria, spoke on "The Trend of Decisions in Actions Between Husband and Wife for Personal Injury."

The report of the executive committee was read by Chairman Willis Smith, Raleigh. William O. Reeder, St. Louis, as chairman of the special committee to consider proposed changes in the setup of the association, recommended no changes.

### Compensation Committee

John L. Barton, Omaha, reported as chairman of the committee on compulsory automobile insurance and financial responsibility legislation. The committee recommended that the members observe the operation of the New Hampshire and New York financial responsibility statutes and that the committee be continued. The session closed with the reading of a paper, "The Casualty Home Office Looks to Local Counsel for Better Public Relations," by Victor C. Gorton.

The concluding session opened with the report of the committee on work-

men's compensation, Kenneth B. Cope, Canton, chairman.

Alvin R. Christovich, reporting as chairman of the committee on practice and procedure, stated that those attending the round-table meeting had voted to request the executive committee to schedule a similar meeting at the next annual gathering. The only paper was read by Lasher B. Gallagher, who spoke on "May an Insurance Company Rely on the Allegations of a Complaint Against One of Its Insured in Deciding Whether the Case Is One Within the Terms of the Policy."

On motion of Sol Weiss, New Orleans, a resolution was adopted for appointment of a special committee on safety, consisting of five members, to study and consider the subject of accident-prevention.

C. Wayland Brooks, U. S. senator from Illinois, made an address "Shall America Move on to Her Destiny or Detour into the Old World and Meet Her Fate?"

A handsome gavel was presented to President Brown.

A strong delineation of "America at the Cross Roads" was given by Col. Louis A. Johnson, Clarksburg, W. Va., attorney and former assistant secretary of war. Mr. Johnson expressed the fear that the United States may, like Athens with its enemy, Philip of Macedon, lay wait too long to lead the forces of democracy against the forces of destruction.

## L. & L. Ohio and Okla. Changes

London & Lancashire has made important field changes in Ohio and Oklahoma.

With the resignation of Robert W. Leedy as Ohio state agent, that field is now divided into two parts with a state agent in charge of each. In eastern Ohio, the state agent is Perry Dawson and in western Ohio, Frank D. Johnston.

Mr. Dawson has been Oklahoma state agent and in that position he is succeeded by John E. Wilkerson.

Mr. Dawson has been with L. & L. 15 years, first in the Chicago department, then for two years in the Ohio field and for the past two years in Oklahoma. He is thus familiar with the field to which he is newly assigned. His headquarters will be in Canton.

Mr. Johnston has been in the Ohio field for L. & L. as special agent four years. His headquarters are in Dayton.

Mr. Wilkerson joined L. & L. last March as Oklahoma special agent, previously having been with Kansas City F. & M.

### Named N. Y. General Agents

Hoey, Ellison & Frost, New York City, have been named general agents there by American Bonding.

## Product Liability in Case Involving Coca Cola Drink

Louisiana court of appeals affirms lower court in Jenkins et al vs. Bogalusa Coca Cola Bottling Co. Mrs. Rosetta Jenkins sought \$5,000 damages, Hartford Accident being the insurer. She claimed decayed parts of a spider or other deleterious foreign substance were in a bottle bought at Bogalusa City Drug Store. Her husband sought \$100 medical expense for treating his wife.

### Evidence of Spider

Plaintiffs claimed that they drank the Coca Cola at the drug store, the wife became extremely nauseated, was taken to the rest room where she vomited and became very weak. She was assisted to a doctor's office and was treated several hours before she was sent home. She was ill for some weeks. Dr. Ward examined the contents of the bottle and testified that he found what appeared to be a spider and it was this that caused the illness.

The Coca Cola people contended that if there was any foreign substance in the bottle it was placed there by a third party after it left the plant. Attention was called to the fact that Coca Cola is bottled by the most modern and scientific process and with greatest care. It held that it was impossible for any foreign substance to get in a bottle during the manufacturing process.

### Position of Court

On appeal from a judgment in favor of defendants the court stated that before plaintiffs could invoke the doctrine of *res ipsa loquitur* and recover in this case, they were required to prove with legal and reasonable certainty that the bottle contained parts of a disintegrated spider or other foreign substance at the time the wife drank from it; that the foreign substance did not get in the bottle after it left the plant and that the wife drank or swallowed some of this foreign substance and that it made her sick. The court held that even if it were assumed that plaintiffs proved with sufficient certainty the first two sets of facts it was not proved by clear and convincing evidence that the wife drank anything from the bottle that caused her to become suddenly ill.

## Connecticut General to Get Out New Policies

Secretary George Goodwin of Connecticut General announces it is working on a new edition of accident and health policies that will be released in October. Some technical requirements of a few state departments necessitate changes and hence it was deemed wise to revise all forms. The application blank will be changed. There will be a shorter application for housewives and students. It will discontinue printing the application in the policy.

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# POINTERS FOR LOCAL AGENTS

## Strong Arguments Exist Today for Selling U&O

(CONTINUED FROM PAGE 17)

building rate with 80 percent coinsurance is 50 cents and the stock rate is 90 cents. This variation is not too unusual and many cases can be shown where the gap between the stock and building rate is greater. Sixty percent of the building rate will produce a U&O figure of only 30 cents, and when the agent quotes this to the owner of the stock, the owner will be astonished at a rate of only one-third of that to which he has become accustomed.

### Unusual Demonstrations

Many stores are now in fireproof buildings, Mr. Jervey pointed out, and under this heading even more unusual demonstrations are possible. There is a vast number of cases in which the owners of the stock do not themselves own the buildings. Where the building rate is 10 cents with the appropriate coinsurance clause, the stock figure being 35 cents, a U&O quotation to the store owner might run as low as 6 cents, or barely one-sixth of the rate which he customarily pays on his stock.

The agent has a very favorable situation also because on manufacturing plants there has been little or no advance in rates, notwithstanding a greatly increased hazard in many instances. The rate level for mercantile properties is only a fraction of the stock figures. Intensive cultivation in driving home these points should produce some extraordinary results, Mr. Jervey believes.

New situations are making considerable changes advisable in the approach to sales of U&O. There was once little opportunity to sell contingent U&O covers, but today Mr. Jervey believes there is an enormous amount of contingent U&O protection needed where not only it has been bought, but where the cover has never been presented to the prospect. There is a great deal of inter-dependency already existing, and apparently this is going to increase in the near future. In a recent case a \$7,000,000 order was placed in Pennsylvania involving more than 100 different plants in 17 states. In all of these cases of subcontracting there is not necessarily any inter-dependency of operation, but it holds for a good many cases.

### Inter-Dependency of Plants

The least the agent can do is to analyze the business already on his books and see to it that wherever assured has any possibility of the inter-dependent operations, the matter of contingent U&O should be brought to his attention. The agent has an especially good background for such a presentation, since one manufacturing plant is often helpless because of its dependence upon another. Although assured maintains his plant in splendid shape, has sprinklered his property and keeps up the fire protection, his operations may be jeopardized through the burning of another plant over which he has absolutely no control and whose management and fire protection may not be at all up to his own standards.

Mr. Jervey also stressed the matter of taxation as a point in selling U&O. Federal taxes are such that a business which is making any money should certainly extend itself to maintain every bit of insurance which is needed to protect that business which is producing the profit. In many cases where the agent

has a fair idea as to the net profit from a business, he can give a specimen case to the management showing what happens when a tax saving is applied to the insurance premium. This point, in view of the proposed tax bill in Washington, will become much stronger within the near future. Federal taxes are paid in the year following the period in which earnings actually occur, and too few people are laying aside special reserves to pay for them out of the previous year's business. There is an espe-



CHARLES P. JERVEY

cial temptation when business is good to count on profits from the succeeding year to take care of tax payments. Under such circumstances, a destructive fire where adequate U&O does not exist would be an especially great disaster.

### Taxes a Selling Point

Payroll taxes constitute a good talking point. If an employer through U&O covering his ordinary payroll is able to retain needed employees to any extent that he desires, he will not have to deplete the reserve which has been built up in connection with the unemployment compensation fund. This will mean, in the long run, a real saving to the employer, whether he is merchant or manufacturer.

There is a growing interest in the whole question of insurance to care for the payroll, and a great deal of enthusiasm is being displayed in that direction. The importance of many individual employees of store or plants, either because of some special talent or by reason of the following they have built up, is apparent. Also, of course, it is possible that employees leaving an establishment may take with them valuable trade ideas which would fall into the hands of competitors. The changed national situation has made great differences in the complexion of individual plants. In a particular factory or mercantile establishment at one time perhaps only 1 or 2 percent of the employees were considered important enough to warrant retention, but today in that same plant the proportion may have increased to 25

or 50 percent or even to the entire payroll.

The best way for an agent to prepare himself for an interview with the owner of a business with reference to U&O is to brush up on conditions within the prospect's own industry. Use of trade journals is exceedingly helpful. There is hardly an issue in which the agent can't find many good talking points for U&O. These can be obtained from libraries or assured. Mr. Jervey also recommended the reading of general business papers and suggested that many good ideas can be found in insurance journals.

Eventually, as he works on U&O prospects, the agent will develop a sort of sixth sense through which he can immediately judge the key point in any given mercantile or manufacturing plant. The agent should watch for these points as they arise and he will find that they lead him readily into an effective discussion of the coverage.

A friend of Mr. Jervey went with an agent to solicit U&O insurance on a business college without any real hope that he could place the cover. However, immediately on being introduced to the head of the college the latter told of the difficulty in securing a large supply of new typewriters. The agent promptly followed up this angle by commenting on the fact that most of the typewriters seemed to be contained in two adjoining rooms rather than spread out over the entire floor. The head of the college indicated that such an arrangement was necessary to secure light and for other reasons, and, of course, by that time the probability of a U&O sale had become evident.

With a little experience, it is not difficult to put a finger immediately upon the most sensitive point in any establishment insofar as U&O is concerned. With a motion picture theater it may be the matter of fixed charges or film rental; in a newspaper plant the leased wire from Associated Press; in one manufacturing establishment a certain type of machinery; in another, raw stock.

Situations with respect to individual plants nowadays are changing so rapidly that the agent must check up with clients rather frequently, possibly every few months, he said.

The important thing is to bring home to prospects features of U&O in terms of their own particular business. Hence, the study of the particular industry or business to which the prospect belongs. It is also well to quote premiums in terms of the product of the prospect. For instance, an agent told the owner of a motion picture theater that the daily cost for U&O would amount only to the price of the first ticket which he sold each afternoon. Translated into such terms the cost appears insignificant, which, in point of fact, it is.

U&O is not a "finished" business, Mr. Jervey concluded. Those writing it are still experimenting and developing in this field and welcome every new idea. Agents, through their study of the U&O cover as related to the immediate needs of clients, will certainly discover some completely new fields and in doing so will be accomplishing a great service not only for themselves but for the business of insurance as a whole.

E. A. Dosek of 2511 Worthington, Lincoln, Neb., has entered the agency business. He has been in state service eight years, in the bonding division of the state treasury and later in the bond and insurance department of the gasoline tax division.

## Agent Should Prepare to Share in Aviation Boom

(CONTINUED FROM PAGE 19)

sured and get every question answered, he said. The application is simple, and if the agent has difficulty in quoting an exact rate, the underwriters are there for consultation at any time. The agent should watch out for under insurance because all rates are based on insurance to full value, he said.

One class of risk which is increasing all the time is the flying clubs. The experience has been bad on these risks, but aviation underwriters and agents must find some way to insure them because a flying club enables people to learn to fly cheaply, and will help the industry's progress. From an underwriting standpoint, a flying club should have a small number of members, not over 10 to one aircraft, and it should have a written constitution and by-laws which embody their methods of operation. They must have a well developed arrangement with certificated, experienced instructor pilots living in their community. In addition they must have a good hangar, even if only a small one. Aircraft should be overhauled at least once every four to five hundred hours and some money should be available in the treasury for necessary maintenance and repair. A good flying club is a good risk and a good enterprise for the community, and agents should help create them.

Some very conservative banks have been making instalment loans on aircraft for the past few years and permitting local agents to write the insurance. This is a healthy and desirable situation, but with the instalment credit business being limited by the government, some ranking institutions, feeling the necessity of having their money earn something, may be misled into making unsound aircraft chattel loans. The successful banks have proceeded cautiously, depending upon the underwriters and the agents to check the physical condition of the aircraft and the operating practices of the owner. The agent is the indispensable connecting link between the underwriter and the lending institution in checking certain aspects of the loan, both at its inception and during its currency. Good agents have sacrificed immediate commissions by not overselling the lending institutions and they should continue to do so, especially at this time.

Another problem is the shortage of aircraft repair shops, he said, partly because mechanics cannot be obtained to run them. If the repair shops go out of existence, it is hard for the student mechanics to get the practical experience of doing field repairs. Hence the agent should foster contacts between vocational schools and his local aviation operations and should assist and counsel even the smallest operator to try to start some repair facilities and personnel.

As long as the aviation premium volume was so small, certain companies and agents paid no attention to it, nor did they spend any money in development work. Now that there appears to be some business available, all kinds of fantastic insurance schemes will be offered to the agent's local customer. He may be told that if he joins a certain association his business will be handled along with hundreds of others from some central point, and he will save what his local agent has been making. Few people will be lured by these ideas provided a local agent is a good one and is really performing a useful service for assured.

This is one business that demands the services of a local agent to look after the interests of his client, and the agent cannot do it by remote control.

## Convention Dates

Sept. 11-12—Michigan Agents, Grand Rapids, Hotel Pantlind.  
 Sept. 11-13, Minnesota agents, Kahler Hotel, Rochester.  
 Sept. 15-16, Montana agents, Billings, Commercial Club.  
 Sept. 15-16, Pennsylvania Agents, Shawnee-Delaware, Buckwood Inn.  
 Sept. 15-18, Canadian Superintendents of Insurance, Toronto, Royal York Hotel.  
 Sept. 16, Vermont Association of Insurance Agents, Woodstock, Woodstock Inn.  
 Sept. 16-17, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.  
 Sept. 18, North Dakota Agents, Dakota Hotel, Grand Forks.  
 Sept. 19-20, Wyoming agents, Casper.  
 Sept. 19-20, Insurance Federation of New York, Rochester, Hotel Seneca.  
 Sept. 25-26, Wisconsin Agents, Milwaukee, Hotel Schroeder.  
 Sept. 24-26, Kansas agents, Salina, Lamer Hotel.  
 Sept. 24-26, New Jersey Agents, Asbury Park, Berkeley-Carteret Hotel.  
 Sept. 26-27, New Mexico Agents, Albuquerque, Franciscan Hotel.  
 Sept. 29-30, Utah Fire & Casualty Insurers Association, Salt Lake City, Hotel Utah.  
 Sept. 29-30, Oct. 1-3, Insurance Section, American Bar Association, Indianapolis, Claypool Hotel.  
 Oct. 1-3, Western Insurance Bureau, Lake Placid, N. Y., Lake Placid Club.  
 Oct. 3-4, Colorado agents, Denver, Shirley-Savoy Hotel.  
 Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.  
 Oct. 6-10, National Safety Congress, Chicago, Stevens Hotel.  
 Oct. 8-10, Fire Insurance Accountants Conference, Norwich, Conn., Norwich Inn.  
 Oct. 13-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.  
 Oct. 13, Missouri Association of Insurance Agents, Kansas City, in conjunction with National association.  
 Oct. 16-17, Ontario agents, Toronto, Royal York Hotel.  
 Oct. 20-22, Ohio Agents annual meeting, Hotel Secor, Toledo.  
 Oct. 23-25, Maryland Agents, Cumberland, Fort Cumberland Hotel.  
 Oct. 27-29, National Association of Mutual Insurance Agents, Pinehurst, N. C.  
 Oct. 28-29, Indiana Agents, Indianapolis, Claypool Hotel.  
 Oct. 28-29, Massachusetts Agents, Springfield, Hotel Sheraton.  
 Oct. 31, New Hampshire agents, Carpenter Hotel, Manchester.  
 Oct. 31-Nov. 1, Arizona Agents, Tucson, Pioneer Hotel.  
 Nov. 3-6, National Association of Mutual Insurance Companies and Federation of Mutual Fire Insurance Companies, Los Angeles.  
 Nov. 5, Connecticut Agents, New Haven, Hotel Taft.  
 Nov. 6-7, Illinois Agents, Peoria, Pere Marquette Hotel.  
 Nov. 10-12, California Agents, Sacramento, Hotel Senator.  
 Nov. 18-19, Georgia Agents, mid-year, Macon.  
 Dec. 8-10, National Association of Insurance Commissioners, mid-winter meeting, New York, Hotel Pennsylvania.

### Attend Canadian Gathering

TORONTO—Three insurance commissioners from the United States will attend the annual conference of the Canadian Association of Superintendents of Insurance here Sept. 15-18. They are Commissioner Hobbs of Kansas, president National Association of Insurance Commissioners, Commissioners Harrington of Massachusetts and Berry of Michigan.

### Ship Sinkings Were Discounted

The danger to American vessels traveling lanes to Iceland and through the Red Sea was recognized by marine underwriters in the preparation of their latest cargo war risk rates, hence the recent sinking of several ships, is not likely to result in any change in present rates, unless sinkings become more pronounced.

T. B. Larson has been appointed special agent for northern California by Central Manufacturers Mutual of Van Wert, O., with headquarters at the Pacific Coast department in San Francisco.

James and Gus Krauss, formerly with the Hartwig Moss Agency, New Orleans, have formed the Krauss Insurance Agency, with offices in the Pere Marquette building.

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# INSURANCE NEWS BY SECTIONS

## Prominent Figures on Kansas Card at Salina Sept. 24-26

The complete program has been released for the convention of the Kansas Association of Insurance Agents at Salina, Sept. 24-26. Among the speakers are a number of prominent insurance figures including:

T. Alfred Fleming, director of conservation National Board, New York; Clifford Wetzel, past president of Oklahoma Association of Insurance Agents, Ponca City, Okla.; E. L. Stephenson, manager Associated Aviation Underwriters, Chicago; Milton W. Mays, director Business Development Office; C. F. Hobbs, Kansas insurance commissioner; Sam C. Carroll, vice-president Mutual Benefit Health & Accident, Omaha; B. R. Walinder, manager farm department America Fore group, Chicago, and F. W. Doremus, western manager of Newark, Rockford, Ill.

An outstanding feature will be a memorial to Rosse Case, well known local agent of Marion, Kan., and active association worker, who died a few months ago. His son, Alex Case, will carry on his father's custom of taking a prominent part in the convention when he delivers his report as national councillor and presides over the rural agents luncheon conference.

Closing the session will be the report of the nominating committee and the election of officers. The program follows:

### Wednesday, Sept. 24

10 a. m.—Registration, lobby, Hotel Lamer.

1 p. m.—Golf, Salina country club.  
7—Dinner, smoker, floor show, Dan Bolen, master of ceremonies, private dining room, Salina country club. Golf prizes awarded.

### Thursday Morning, Sept. 25

Convention opening, call to order by Laurin W. Jones, Dodge City, president. Address of welcome, Ed Morgenstern, mayor of Salina.

Appointment of committees.  
Edwin S. Nellis, Topeka, commenting on reports of administration and officers.  
Address, T. Alfred Fleming, director of conservation, National Board, New York, "75 Years of National Board Service."

Announcements.  
Legislative committee report, Harry Tinkelpaugh, chairman.

Greetings, Clifford Wetzel, past president of the Oklahoma Association of Insurance Agents, Ponca City.

Address, E. L. Stephenson, manager Associated Aviation Underwriters, Chicago, "There's a Gold Mine in the Sky."

Rural agents luncheon conference, Alex Case, presiding.

### Thursday Afternoon

Discussion, Lloyd B. Ferrell, vice-president Southwest National Bank, Wichita, "Consumer Credit" (local automobile financing).

Address, Milton W. Mays, director Business Development Office, New York, "A Prophet Without Honor."

Address, Lorren W. Garlich, St. Joseph, Mo., member executive committee, N. A. I. A.

Greetings, Marie Eresch, vice-president National Association of Insurance Women, Topeka.

Address, C. F. Hobbs, commissioner of Insurance of Kansas, and president National Association of Insurance Commissioners.

Address, Sam C. Carroll, vice-president Mutual Benefit Health & Accident, Omaha, "Accident and Health Insurance in Your Business."

Dinner dance, R. H. Cravens, toastmaster; Otto R. Souders, Wichita, speaker.

### Friday Morning

Address, B. R. Walinder, manager farm department America Fore group, Chi-

cago, "How Is Your Farm Business?"

Report of National Councillor Alex Case, Marion.

Address, Fred Doremus, manager western department American of Newark, Rockford, Ill., "Streamlining Production."

Memorial to Rosse Case.

Report of resolutions and nominating committees.

Election.

## Confer on Revision of Mich. Licensing Regulations

LANSING, MICH.—A special committee appointed by Commissioner Berry to consider changes in agency licensing regulations designed to improve practices and procedures met here with department officials to start working out a basic program. All interests in the business are represented on the committee, including organized agents, stock and mutual fire and casualty insurers, automobile specialty carriers, reciprocals, farm mutuals and life companies.

Each member of the committee was asked to convey to his particular group a request that questions be supplied the department for inclusion in the examination manual used for testing new applicants for fire and casualty licenses. Life agents are not included under the present act nor are other agents living outside incorporated areas.

In attendance were Seth Burwell, now head of the life division of the department but who was instrumental in formation of the committee while head of the licensing division; Charles Crane, present superintendent of the licensing division; Ray Desautels, his assistant and chief investigator; W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents; John F. Horton, Detroit, Aetna Casualty; William Howe, Detroit, Firemen's; Damon Row, Detroit, Springfield Fire & Marine; J. M. Allen, Lansing, Guarantee Mutual Fire; George Borts, Detroit, Fidelity & Casualty; E. F. Vickers, Detroit, Citizens Mutual Automobile; Lawrence Power, Detroit Automobile Inter-Insurance Exchange; R. M. Wade, Detroit, Michigan Mutual Liability; H. B. Thompson, Detroit, secretary-counsel Michigan Association of Life Underwriters; L. P. Dendel, Lansing, Michigan Millers Mutual Fire.

## Freeport, Ill. Agents Form, Elect Tempel President

The Freeport (Ill.) Association of Insurance Agents was organized and officers elected at a meeting attended by W. H. Jennings, Jr., Rockford, chairman, and James J. Beattie, vice-president of region 3, Illinois Association of Insurance Agents.

Officers are: President, Henry C. Tempel; vice-president, Hilding B. Bihl, and secretary-treasurer, Martin O. Steinestel of the C. F. Hildreth agency. Messrs. Tempel and Bihl operate agencies under their own names.

The initial membership includes Hildreth Company, Wittenmeyer & Bangs, Taylor & Frick, Hamilton & Boeke, Hilding B. Bihl, Arthur G. Franz, Henry C. Tempel and Luke Stuart & Co.

## New Escheat Rules in Mich.

The National Board has sent a bulletin to members on a new amendment to the Michigan escheat law. It is now necessary that every person, firm or corporation make report on June 30 of each year, of any "deposit" (i.e., money, credits, securities, liquidated choses in action or property of any kind or nature) held for another person, where no dealings or transactions have been had with such other person with respect to any money, credits, securities or property for a period of seven years or more. A notice in writing to keep a "deposit" alive is declared by the statute to be a

transaction. The report is required whether the owner of the property be living or dead.

Due to delay in the preparation of forms and copies of the law, the Michigan board of escheats will accept reports for the current year at this time. There are penalties for failure to file, and it is suggested that companies search their records, and if a report is due that it be made on the form prepared by the board of escheats.

## All Set for Minnesota Parley

ROCHESTER, MINN.—Plans are completed for the Minnesota Association of Insurance Agents' annual three day meeting here which opens Thursday. Between 400 and 500 agents, field men and company executives are expected.

Convention headquarters will be at the Kahler hotel. Sessions will be at the Mayo Civic auditorium, except the breakfast meetings which will be at the Martin and Arthur hotels. The annual dinner will be Friday evening at the Kahler hotel.

The convention gets under way with a meeting of the executive committee Thursday morning. Thursday afternoon a golf tournament will be held at the Rochester Country club followed by a stag supper at the club that evening. Regular sessions start Friday morning.

## Adams to Teach Cincinnati Course

CINCINNATI—E. L. Adams, sales manager Perkins & Geoghegan, will be the instructor for the casualty insurance course offered by the University of Cincinnati in cooperation with the Cincinnati Fire Underwriters Association. The course is offered only every third year and will not be given again until 1944-45. Meetings will be held on Tuesdays from 6:40 to 8:20 p. m., beginning Sept. 30.

Mr. Adams, graduate of the University of Minnesota with an M. A. degree from Harvard, is a graduate of the Aetna Casualty's sales training course and has had a number of years' practical experience in the field.

Registrations are being made at the office of the dean, evening college, University of Cincinnati.

## Convention Plans Wichita Topic

This week's meeting of the Wichita Association of Insurance Agents was devoted to promoting attendance at both the Kansas association convention in Salina Sept. 24-26 and the National Association convention in Kansas City. Victor G. Henry, vice-president of the Kansas association and program chairman for its convention, outlined plans for that gathering and Frank T. Priest of Dulaney, Johnston & Priest, former National association executive committeeman, boosted the national convention. Dwight M. Smith, newly elected president, announced committee appointments and plans for the year.

## Quincy, Ill. Board Picnic

The Quincy Board of Underwriters will hold its 20th annual picnic Sept. 24, at Quincy Country Club. V. G. Musselman, Musselman Insurance Agency, secretary-treasurer, is receiving reservations. Kley Miller of Miller, Castle & Freiburg, president, will preside at a dinner.

## Standardize Minn. Filing Rules

ST. PAUL—The Minnesota department is preparing an order establishing rules to be followed by companies in filing new forms. Heretofore there has been no standardized system in this with the result that every company has filed its forms in its own way.

## Kridler, Tribolet in Toledo

TOLEDO, O.—The Toledo Association of Insurance Agents has resumed

its meetings Sept. 9, with Paul W. Kridler, president Ohio Association of Insurance Agents and Paul Tribolet, trustee of the state association, as guests.

Norman W. Reed, executive secretary of the Toledo association, has moved to new quarters at 772 Spitzer building.

## Kittel Heads Lansing Agents

LANSING, MICH.—J. P. Kittel was elected president of the Lansing Association of Insurance Agents at the organization's annual meeting today. He succeeds R. A. Mosher, who had served two terms. Carl F. Trager is vice-president and Ray I. Waller reelected for third term as secretary-treasurer.

## Herman Mutual Correction

An unfortunate typographical error on page 72 of the 1941 Underwriters Hand-Book of Wisconsin shows the policyholders' surplus and liabilities of Herman Mutual incorrectly. The correct figures for Herman Mutual of Iron Ridge, Wis., are: Policyholders' surplus \$37,234 and liabilities \$38,242.

## Ryan Cleveland Board Trustee

CLEVELAND—Ben P. Gale of the Gale Co., a trustee of the Insurance Board of Cleveland, has been called to Washington in connection with the national defense program and has found it necessary to resign as trustee. Ellis W. Ryan, vice-president of the W. F. Ryan Co., has been named to take his place.

## NEWS BRIEFS

Plans for lowering farm fire losses in Indiana by approximately 25 percent were outlined before more than 1,500 members of the Indiana Farmers Mutual at the annual meeting at the home office in Indianapolis. H. P. Cooper, executive secretary National Association of Mutual Companies and company secretary, outlined plans for the loss reduction campaign. Talks were also made by A. H. Myers, Noblesville, president; Dr. J. W. Holland of WLS, Chicago; and C. C. Smith, state fire marshal.

John L. Vorse, president of the Salina Insurance Board, host to the annual convention of the Kansas Association of Insurance Agents Sept. 24-26, celebrated his first wedding anniversary by acting as best man at the wedding of his brother Harley of Topeka.

The annual fire school of the Kansas Firemen's Association was held at the University of Kansas under the jurisdiction of the Extension Department. E. J. Stewart, chief engineer of Kansas Inspection Bureau, was chairman of the fire school committee.

Edward Coffin, who recently resigned as Watertown, Wis., representative of the Milwaukee "Journal" to join the Henry School agency there, in the same city, has left for Hartford to take the Travelers training course.

Rate Books published by the Illinois Inspection Bureau for August, include: Georgetown, Macedonia, Mill Shoals, Omaha, Red Bud, Shawneetown, Springfield.

The Lucas County Insurance Board held its first fall meeting Tuesday in Toledo. It is planning a series of educational meetings.

H. H. Remick has been appointed state agent of Nebraska Hardware Mutual of Lincoln for Kansas with headquarters in Wichita.

The Insurance Club of Minneapolis will usher in its fall activities with a luncheon meeting Oct. 13.

C. R. Marquardt, formerly of Manitowoc, Wis., in insurance agency work for 20 years, has taken over the insurance department of the Plamann Agency, Appleton, Wis.

## IN THE SOUTHERN STATES

### Production Branch Office Defined in New Constitution

ST. PETERSBURG, FLA.—The St. Petersburg Insurors Exchange in its new constitution adopts the following definition of a production branch office: "A production branch shall be considered to mean an office or department, operated by or in behalf of any insurance company or companies, in which agents are furnished by such companies any of the following: office supplies, office equipment, telephone, clerk hire, stationery, rent, office space, postage, bookkeeping or such other services as are usual and necessary to a policy writing agency."

It further provides: "It shall be considered a violation of the by-laws for any member of the exchange to accept or retain the representation of, or place any business other than life, personal accident and health, directly or indirectly with any insurance company which operates a production branch office as defined."

### Executive Committee of S.E.U.A. Is Selected

Appointment of the executive committee of the Southeastern Underwriters Association was completed and members will meet this month when a chairman will be elected. L. P. Jervy, Atlanta, vice-president America Fore group, association president, is ex-officio a member of the committee, as is A. E. Hill, association vice-president, who is vice-president of Home.

The other members are: R. M. Anderson, vice-president National of Hartford; R. B. Barnett, Atlanta, southern manager Fire Association; Dowdell Brown, Atlanta, southern manager Commercial Union; H. T. Carlidge, deputy United States manager L. & L. & G.; Esmond Ewing, vice-president Travelers; J. H. Hines, Atlanta, associate

### Peel Succeeds Vandivier in Kentucky State Post



DWIGHT R. PEEL

Dwight R. Peel, Benton, has been appointed supervisor of the Kentucky Fire Prevention and Rates Bureau by the governor upon the resignation of D. P. Vandivier of Louisville. Mr. Peel has been a local agent at Benton for a number of years, has served as president of the Kentucky Association of Insurance Agents and held other offices.

Mr. Vandivier had been in office for four years and prior to this had been special agent at Louisville for Travelers Fire. He has announced that he plans reentering the business at Louisville.

southern manager Crum & Forster; C. M. Jerome, Atlanta, of Jerome & Cowan, southern managers; R. B. Martin, United States manager of Atlas; R. W. Michael, Atlanta, southern manager Fireman's Fund; E. N. O'Beirne, Atlanta, southern manager Automobile; A. R. Phillips, vice-president Great American; L. C. Quin, Atlanta, president of Hurt & Quin, general agents; B. C. Vitt, vice-president American of Newark; T. J. Southerland, secretary North British & Mercantile; A. H. Turner, Atlanta, southern manager; J. M. Waller, vice-president Aetna Fire; H. P. Whitman, vice-president Phoenix of Hartford, and C. S. Whitner, Atlanta, associate southern manager Hartford Fire.

### Self-Insurance Is Suggested

KNOXVILLE, TENN.—Recommendation of the Griffenhagen committee, which for months has been making a study of the financial and operative functions of the city and of Knox county, contains a proposal of "self-insurance" on school property, but modifies this suggestion by recommending that "experts be hired to fully explore the question." The committee recommends consolidation of city and county school boards which would bring all school property in the county under any insurance regulation adopted. Local agents are represented by two members on this committee and it is predicted that the city council will not approve any self-insurance plan.

Recommendation that the Knoxville fire department extend fire protection to "all suburban areas bordering the city" is opposed by City Manager Mynatt and others on the ground that an increase in fire rates would result.

### Tenn. State Coverage Inadequate

NASHVILLE, TENN.—The inadequate insurance coverage on much of the state's property was revealed in the settlement of the loss by fire on the industrial arts building of Junior College at Martin. The loss on the building was fixed at \$36,419 and on contents \$3,793. There was \$9,000 insurance on the building and \$2,000 on contents.

The theory of the present state administration is that there is a limited fire risk on buildings like the one at Milan, which had brick walls on a concrete foundation, but with a frame roof. The Milan property, valued at approximately \$400,000, has no windstorm protection, although it is in a high risk windstorm area.

### Atlanta Courses Start Soon

The course in public speaking sponsored by the Insurance Library Association of Atlanta, which will start Oct. 2, is attracting unusual interest. Prof. F. W. Ajax of Georgia School of Technology will be the instructor.

P. H. Plant, secretary southern department, Fire Association, secretary-treasurer of the library association, arranged another course in general principles of insurance and suretyship to start Oct. 1.

T. G. Linthicum, southern department America Fore group, arranged a course in inland marine to start Sept. 29.

### Linebaugh Opens Adjusting Office

DALLAS—D. H. Linebaugh, who has had a number of years experience in the adjusting field, has opened an independent adjusting office in the Gulf States building here. He will handle fire and casualty lines. Mr. Linebaugh has had 19 years experience with several of the companies, and for the past four years has been with C. E. DeWitt Claims Service, Dallas.

### Push Tenn. Membership Drive

NASHVILLE, TENN.—The executive committee of the Tennessee Association of Insurance Agents will meet

here about Sept. 25 to receive a report on the membership campaign now in progress. Secretary R. T. Cawthon and Joe Bandy, Nashville, chairman of the campaign, have been in west Tennessee directing the membership drive the past ten days. With them most of the time has been Louis Furbinger of Metcalf Bros., Memphis, who is campaign chairman for this area. The drive in Memphis will be made later.

### Compiles Resume of New Laws

TALLAHASSEE, FLA.—Commissioner Larson has compiled for distribution a resume of the insurance acts of the 1941 legislature.

### NEWS BRIEFS

The Insurance Women's Club of Oklahoma City held its first fall meeting Sept. 10. A membership campaign was discussed, the goal being an increase from the present 78 to 150 members.

Lewis Tachau, of the E. S. Tachau & Sons agency, Louisville, and Louisville Fire & Marine Insurance Co., has returned to the city after several weeks in New England.

The Howard & Thompson agency, Ada, Okla., has purchased the Grindloff & Humphrey agency.



### YO! HO! HO! AND A BOTTLE OF RUM!

Long before Long John Silver and Sir Henry Morgan, rum had gained favor in many lands. Good cooks early learned its value for flavoring sauces, pastries, confections. Today it is used extensively as prime ingredient in a variety of beverages adaptable to all seasons. Tall, icy drinks for summer—cosy cockle-warmers for winter—with rum quickening the joy or the solace of welcome, companionship, God-speed.

In addition to our fine domestic rums, countless casks, kegs, cases of rum are imported from the sun-jewelled West Indies—from Cuba, Puerto Rico, Jamaica, from Haiti, Trinidad, the Virgin Islands, and from the distant Philippines and Netherlands East Indies.

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## PACIFIC COAST AND MOUNTAIN

### Oregon Association's New Committees Are Announced

PORTLAND, ORE.—Personnel of the executive committee of the Oregon Association of Insurance Agents has been announced. It includes: Sprague Carter, Pendleton; Elmer Patrick, Corvallis; Leslie Wadsworth, Salem; Vernon J. Robinson, Medford; E. G. Fearey, Astoria; Fred Jewett, Fred C. Reed, Hunt Lewis, Jr., and John H. Rankin, all of Portland. Ward H. Coble of Bend is chairman of the executive committee. Other committee appointments also have been announced. Chairmen are: Legislative, Leslie Wadsworth; educational, Elmer Patrick, public relations and publicity, Fred C. Reed, membership, Sprague H. Carter; Oregon conference contact, Claude Nasburg, Marshfield; national casualty bureau contact, Fred C. Reed; non-bureau casualty contact, Stanley N. Boquist, Portland; non-admitted insurance reciprocal, mutual and dividend paying carriers, Vern J. Robinson, Medford; finance, George W. Haerle, Portland; fire prevention, Chester K. Noonan, Astoria; business development, Fred E. Jewett, Portland; state and public business, Fred C. Reed; state insurance department contact, Ward H. Coble.

The new committee has been called by Chairman Coble to meet at Bend Sept. 20. The annual school and conference of the Oregon Association of Fire Chiefs and Oregon State Fire Fighters Association, will be held in Bend Sept. 15-17. Commissioner Thompson has pointed out the opportunity for committee members to attend the sessions Sept. 16, which will offer a paper on "Defense" by Capt. Ted Enter and an evening demonstration by Capt. Leland R. Rowsell, U. S. A., showing the methods of extinguishing incendiary bombs.

### Aetna Shifts Coast Claim Men

Walter Burke, claim manager in Seattle of the Aetna Fire group, has been transferred to Los Angeles, and is succeeded by K. E. Roberts, who has been resident adjuster in the Pacific northwest. A new addition to the Seattle claims staff is J. C. Markey.

### To Preside at Montana Convention at Billings



PETER YEGEN, JR.

Peter Yegen, Jr., of Billings, will be the central figure at the convention of the Montana Association of Insurance Agents in his city next Monday and Tuesday. He is president of the organization. A strong program has been prepared.

### Conclude First Series of California Regional Rallies

LOS ANGELES—President Harry Perk, Jr., of the California Association of Insurance Agents has just concluded a series of regional meetings in the San Joaquin Valley, covering Bakersfield, Fresno, San Jose, Los Banos, Salinas, Modesto, Visalia, San Mateo and Stockton.

He was accompanied by Deputy Insurance Commissioner Sidney Weinstock and W. H. Hill, head of the farm bureau of the Pacific Board. Agents were on hand from smaller towns within a radius of 40 miles and the attendance at the meetings ranged from 40 to 75.

Mr. Perk told the agents of the advantages of association membership. Mr. Weinstock outlined the new insurance legislation enacted by the 1941 legislature and stressed the law enforcement program now being carried out by Commissioner Caminetti.

The territory covered by this series is predominately agricultural and Mr. Hill's remarks were directed to the changes in rules and practices in underwriting farm risks. His talk gave a better insight into the broadening of coverage in this field.

### Cal. Loss May Reach \$1,000,000

The Fire Companies Adjustment Bureau is handling the fire loss at Port Costa, Cal., that may cost as much as \$1,000,000. The properties destroyed were the McNear Dock, warehouses, Santa Inez Fisheries, a fish reduction plant, an old whaler and more than 22,000 tons of government owned grain. The two principal covers involved are written under I.U.B. forms. Fred D. Parr, president of Cal-Union agencies, San Francisco general agency, is president of the Santa Inez Fisheries and the Parr Terminal Company that owned the warehouse. Most of the loss was the 20,000 tons of wheat that was consigned to Archer, Daniels, Midland Company and which was owned by the government. The grain showed a value of \$440,000 and was insured through Sexton & Co. It is understood that there was a \$2,000,000 line on grain which was to have been stored in the warehouse and which had not yet arrived.

### Two Join Brown General Agency

SEATTLE—The Brown General Agency has appointed E. R. Wilkins claims attorney and C. H. Hancock production engineer.

Mr. Wilkins has resigned as claims manager for D. F. Broderick, Inc. (Washington). He was with the Aetna Casualty as an adjuster from 1918-27. For two years he was an independent adjuster and then became claim manager in Seattle of the National Union companies. From 1932 to 1937 he was associated with John A. Milot in the independent adjustment firm of Wilkins & Milot, then going with the United Pacific and later D. F. Broderick.

### Fowler with Armstrong Agency

The Armstrong General Agency of Seattle has appointed Homer Fowler special agent. Mr. Fowler was formerly manager of the insurance department of a Seattle finance company.

### Estes Park Hotel Burns

DENVER—Fire which destroyed the Lewiston Hotel at Estes Park, Colo., caused a total loss of building and contents, according to George Webster, Fire Companies Adjustment Bureau. The frame structure, 25 years old, burned to the ground within an hour of catching fire. Insurance on the building was only \$80,000, divided among several stock companies, but the investment in building and furnishings

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### OBSERVATIONS



of the Old Man

"Men hang out their signs indicative of their respective trades; . . . but up in the mountains of New Hampshire, God Almighty has hung out a sign to show that there He makes men."  
—DANIEL WEBSTER.

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ORGANIZED 1885



was in excess of \$350,000. At the time there were less than 12 guests in the hotel, but a convention had been booked for the following day.

#### Cover Wash. State Liquor Stores

The Washington state liquor control board is renewing all annual and three-year policies covering state-owned liquor stores and properties, effective Sept. 30. L. D. Mallette is insurance manager for the board. The business is placed direct with the companies and then the board makes the regular local agency commission distribution to representative agents throughout the state. Coverages involved include safe burglary, robbery, fire, marine, sprinkler leakage, automobile, elevator, O. L. & T., messenger robbery and inside holdup.

#### Change Mountain Farm Rules

DENVER—Walter Kulp, manager Mountain States Inspection Bureau, has announced revised farm rules and forms, eliminating the one-third reduction in the amount of insurance where the property is vacant.

Revised rules in line with those of other bureaus are also being sent out, including the fallen building clause waiver, fire department service charges, and single state reporting forms.

#### Campbell Adds to Staff

Arthur E. Campbell, Seattle claims adjuster and attorney, has added G. R. Bailey to his staff. Mr. Bailey has been in the practice of law and adjustment work since 1927. Philip E. Cronk, formerly with the Massachusetts Bonding in Portland, also has joined the Campbell organization.

#### Opens New Lloyds Agency

J. J. O'Brien, formerly with Edward Brown & Sons, has established his own agency at 1484 Dexter Horton building, Seattle, to deal exclusively in Lloyds coverages under the new Washington surplus line law. Mr. O'Brien was with the Jones & Mitchell agency of Spokane, Hansen & Rowland and Swett & Crawford before joining Edward Brown & Sons.

#### Denver Educational Schedule

DENVER—The Denver Association of Insurance Agents has resumed regular semi-monthly meetings. The first session was devoted to an explanation of the educational program by Milt Warren, chairman of the educational committee. Beginning Sept. 22 and continuing through Nov. 17, meetings will be held every two weeks.

#### Jones Heads Walla Walla Agents

The Walla Walla Association of Insurance Agents at its annual meeting elected G. A. Jones, Cox-Dunning Investment Co., president to succeed Austin Roberts of Sherwood & Roberts. Mr. Jones has been secretary.

Charles Thompson, Sunset Insurance Agency, is vice-president and Earl Reynolds, W. L. Stirling Co., secretary-treasurer.

#### Woolley Gives Annual Party

J. K. Woolley, manager Washington Surveying & Rating Bureau, was host at his annual party Tuesday. Members of Washington Advisory Committee and the representatives of the agents and field men, in addition to the executive committee of the Washington Association of Insurance Agents, were entertained at a golf game in the afternoon, followed by a dinner.

#### Start Fire Prevention Course

LOS ANGELES—University of Southern California has added an industrial fire prevention course to its curriculum. The first session will be held Sept. 22. J. T. Howell, consulting engineer and formerly head of the fire pre-

vention department of the Union Oil Co., will conduct the classes twice a week.

#### R. B. Sinclair Back on Job

Ralph B. Sinclair has returned to the staff of the Fire Companies' Adjustment Bureau to be associated with the Portland, Ore., office. Mr. Sinclair was formerly manager of the San Diego and Stockton, Cal., offices. It was necessary for Mr. Sinclair to resign previously because of ill health.

Staff Adjuster Jerome Williams of Portland has resigned.

#### Scott Is King County Trustee

SEATTLE—W. H. Scott, manager of the M. B. Hevly-Scott Insurance Agency, has been elected a trustee of the King County Insurance Association to fill the unexpired term of the late Irvin Fox, who died several weeks ago.

#### Takes Merchants for Alaska

Frank Burns Co., Seattle general agency, has been appointed to represent the Merchants Fire of New York as general agent for Alaska. The general agency maintains a service office at Juneau under the management of Stanley V. Grummett.

#### NEWS BRIEFS

G. F. Jacobson, who joined Hansen & Rowland, Tacoma general agency, in March, has been assigned to field duties with headquarters in the Seattle office.

Roy W. H. Johnson of Frazier & Co., Seattle general agency, was married to Nina Phelps, for a number of years with the Washington Insurance Examining Bureau.

Michael William Brown is a new arrival at the home of Ed. M. Brown, president of the Brown General Agency, Seattle.

R. W. Shinolt, for the past four years staff adjuster for the Fire Companies Adjustment Bureau, has joined the Home group in Seattle. He is handling fire and automobile losses.

The General of Seattle is establishing a claims division in its Seattle metropolitan office under the management of Sam G. Lamping.

A. J. Stockmier, agency superintendent London & Lancashire Group, Pacific department, was in Denver last week visiting State Agent T. A. Avril.

## CANADIAN

#### Considers Self-Insurance

Sault Ste. Marie, Ont., is considering establishing municipal insurance, which provides not merely for protection against loss on municipal and school buildings but also on property in the city. Within the last six weeks the same question was brought up by the city of Toronto and is still being considered. Some decision may be made in October.

#### Reassure Policyholders

OTTAWA—Superintendent Finlayson of Canada has issued a statement reassuring policyholders of foreign insurance

companies operating in the dominion. He pointed out that all of these companies are required by dominion laws to maintain assets on deposit with the department of insurance to the amount at least of their liabilities to policyholders in Canada, including the full reserve of unearned premiums on the business in force.

Superintendent Garrett of British Columbia, in his annual report also issued a similar reassuring statement.

#### Strengthen Floater Conference

Pearl has joined the Personal Property Floater Insurance Conference, which has jurisdiction over Manitoba, Saskatchewan and Alberta, and other members that had previously withdrawn have rejoined, except for the North America group, which have undertaken

to observe rates, rules and forms and have their business checked.

#### Hanson Named Inspector

Phoenix of Hartford has appointed Thomas Hanson inspector for Manitoba, Saskatchewan and Alberta, replacing C. D. Shepard, Jr., now on active service with the army. Mr. Hanson moves from Canadian head office in Montreal.

#### NEWS BRIEFS

R. K. Jordan, who has been assistant accountant of the Western Canada Insurance Underwriters Association, has left Winnipeg to take a position in Windsor.

I. N. R. Noltie has been appointed accountant for the Caledonian in Canada. He succeeds Fred A. Clapham, who retired on pension last May.



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## EASTERN STATES ACTIVITIES

### Strong Program for Vermont Agents

The program for the annual meeting of the Vermont Association of Insurance Agents, which will be held Sept. 16 at the Woodstock Inn, Woodstock, Vt., has been worked out by Howard A. Allen, Burlington, president of the association.

The meeting opens with a luncheon, followed by a business meeting in the early afternoon. During the remainder of the afternoon a number of outstanding speakers have been secured.

A. F. Pingree, deputy commissioner of insurance of Vermont; C. Waldo Lovejoy, manager of the New England department for Massachusetts Bonding, and former insurance commissioner of Maine; Jerome van Wiseman, editor American Agency Bulletin; T. Alfred Fleming, National Board, are on the program.

Following the dinner in the evening Commissioner Cole of Vermont and Clarence T. Hubbard, secretary of Automobile, Hartford, will speak.

The morning will be devoted to golf, horseshoe pitching and putting contests with suitable prizes for the various sports. An unusually large attendance is expected at the meeting this year.

### N. Y. Federation to Meet Sept. 19-20

President F. D. Russell of Security Mutual Life, Binghamton, and State Senator Karl K. Bechtold, will speak at the banquet during the annual convention of the Insurance Federation of the State of New York to be held at Hotel Seneca, Rochester, Sept. 19-20. Wellington Potter, Rochester, is general convention chairman. A golf tournament will be held Sept. 19 at Oak Hill Country Club with Gilbert Amsden as golf chairman.

The banquet will be held the evening of Sept. 20 with a number of state department officials, members of the legislature and company executives expected to attend. Ernest A. Paviour of Rochester will be toastmaster.

James R. Garrett, National Casualty, New York, president, will preside at the business sessions Sept. 20, and give his annual address.

#### Lay Plans for Meeting

Leonard L. Saunders, Albany, executive secretary, met with Rochester committee chairmen there to discuss plans for the convention.

After reports of the executive committee by F. N. Dull, chairman, New York; finance, R. S. Choate, chairman, New York; Executive Secretary Saunders, Oneida, and treasurer, A. J. Young, Albany, there will be a general discussion and election of officers. The Page-Anderson bill will be taken up by those who contributed to it and who helped in its passage.

Prizes donated by insurance men for the golf tournament include those by W. J. Thompson, Globe Indemnity, New York; R. V. Goodwin, second vice-president Fireman's Fund; R. S. Choate, vice-president American Automobile, New York; Underwriters Board of Rochester, state federation, and J. R. Garrett, manager eastern accident and health department, National Casualty, New York.

#### To Take Up Competition

George V. Catuna, manager Travelers, Brooklyn, will speak Saturday morning on state fund and other types of competition. Senator Hampden and Assemblyman Wright, chairmen, respectively, of the state senate and assembly insurance committees, will be on the program. The Underwriters Board of Rochester in a broadside to members urged attendance at the federation meeting.

### New Jersey Agents' Program Announced

Several headliners will appear on the program of the New Jersey Association of Insurance Agents annual meeting to be held at the Berkeley-Carteret hotel, Asbury Park, N. J., Sept. 24-26. Among these will be H. P. North, assistant director Business Development Office, New York; H. E. Taylor, sales promotion manager American of Newark; W. E. Hill, secretary Fire Companies Adjustment Bureau; W. D. O'Gorman, Newark, president National Association of Casualty & Surety Agents; George E. Allen, vice-president of Home, and R. S. Kissam, New York, district manager Stock Company Association.

A golf tournament will precede the session, to be played at the Deal Golf & Country Club course, Deal, N. J., for the Berkeley-Carteret hotel cup, and in the evening, Sept. 24, the executive committee will meet. The committee, together with committee chairmen, will hold a meeting Thursday morning and the association vice-presidents will report. This will be an open meeting for discussion of subjects of interest to local or county boards.

T. S. Brown, Perth Amboy, immediate past president of the association, and O. H. Brown, Spring Lake, president Monmouth County association, make up the committee on arrangements for the state association meeting, and S. E. Pawley, Asbury Park, is general chairman for the Monmouth County association. The program is:

#### Sept. 25, Morning

Executive session for members. Executive committee and committee chairmen; reports of vice-presidents of state association.

Open meeting for consideration and discussion of subjects local or county boards or members desire to bring before the association.

#### Afternoon

Luncheon, informal table conferences and discussions led by officers, committee chairmen, and past presidents.

"A Pattern for Progress," sponsored, prepared, and enacted by the Business Development Office.

"The Inside Story," H. Pierce North, assistant director B. D. O.

"Premiums—Ups and Downs," Shelby Holmes, Royal-Liverpool groups.

"Before and After a loss Occurs," William Hill, Fire Companies' Adjustment Bureau.

"Overcoming Common Objections," Frank Potter, Aetna Casualty.

Question and answer period.

Informal reception and cocktail hour.

Annual banquet; entertainment and dance.

Greetings, Hubert M. Farrow, state association president.

Welcome, Oliver H. Brown, 2nd, president Monmouth County Association of Insurance Agents.

Greetings, W. D. O'Gorman, president National Association of Casualty and Surety Agents.

Address, "Insurance and Defense," George E. Allen, vice-president and secretary Home, former commissioner District of Columbia.

Presentation of golf tournament awards.

Entertainment and floor show, dancing.

#### Sept. 26, Morning

Open meeting.

Discussion of reports published in "The New Jersey Agent" or rendered verbally.

Special reports of dental, educational, legislative, and contact committees.

Election of officers.

#### Afternoon

Remarks by incoming president.

Address, "The SCA-HOLC Contract," R. S. Kissam, district manager Stock Company Association.

Address, "New Jersey Under Four Flags," Hugh L. Mehorter, state agent Crum & Forster.

Awarding of William J. Wilson memorial cup to local or county board in

New Jersey rendering most outstanding service to American agency system in past year.

Unfinished business.

New business.

Adjournment.

The reports of the various committees of the New Jersey agents' association were submitted in advance and are printed in the September issue of the "New Jersey Agent" which has now been distributed. Among the points mentioned in various committee reports are that the membership has increased to 874 from 841; the dental plan continues with 722 policies in force on the second anniversary of its adoption; the production forums that were conducted in 11 centers throughout the state were very successful and plans are being perfected to continue them for the next season.

### Heavy U. & O. Loss in Exolon Fire at Blasdell, N. Y.

Heavy insurance loss will be suffered as a result of the fire recently that totally destroyed the plant of the Exolon Company, Inc., manufacturers of abrasive materials at Blasdell, N. Y. There is a heavy U. & O. loss involved. The U. & O. was written to cover \$725,000 blanket with 80 percent coinsurance over two plants, one at Blasdell and the other at Thorold, Ont. The plants were dependent upon each other in opera-



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tion. The finishing was done at Blasdel and that plant was entirely dependent for raw stock upon the electrical furnace plant at Thorold.

It is believed that large machinery units may not be replaced for four to six months. The U. & O. loss may run to 90 percent. There was a \$675,000 blanket fire line as well as the U. & O.

#### F. C. A. B. Names Morgaridge

The Fire Companies Adjustment Bureau has appointed Robert F. Morgaridge automobile adjuster for the Boston office. He is a son of the former manager of the National Board and has served as an adjuster in New York City, Albany and Jersey City.

#### Final Pittsburgh Golf Party

PITTSBURGH—The Insurance Club of Pittsburgh will hold its final golf party of the season Sept. 22 at the Stanton Heights Country Club. W. H. Osborn, Aetna Fire, is chairman.

#### NEWS BRIEFS

The Allaire & Son agency, Red Bank, N. J., will observe its 70th anniversary Nov. 16. Hubert M. Farrow, president of the New Jersey Association of Insurance Agents, is now head of the agency.

Wyoming Valley Fire of Warsaw, N. Y., has named Donald Bouton vice-president and general manager succeeding his late father, Ernest Bouton. Kenneth Bouton was named assistant general manager.

Leonard Fuchs, former president of the Essex County Association of Insurance Agents, has been appointed chairman of the fire prevention committee of the Newark Safety Council.

The Insurance Women of New Jersey will hold a dinner-meeting in Newark on Sept. 18. President Kay Dougherty will preside.

Edward W. Farrell, manager Charles A. Slee agency, Marblehead, Mass., has purchased the Gardner R. Hathaway agency of Marblehead and will combine the two.

## MARINE

#### Simpson Goes with Springfield

J. D. Simpson, Atlanta, was appointed inland marine special agent by Springfield F. & M., with headquarters in Atlanta, associated with T. F. Mahone, state agent. Mr. Simpson has been with Marine Office of America in Atlanta under E. Otis Jenkins, special agent, for several years, and is an experienced inland marine underwriter. He has assisted in lectures in the Atlanta insurance courses.

#### No Floater Decision in Va.

RICHMOND—The Virginia corporation commission has made no decision on the petition of the Virginia Association of Insurance Agents for authority to write a personal property floater policy. The commission, it develops, had practically decided on an adverse ruling when President E. T. DeJarnette asked that leave be granted to file a brief in further support of the agents' side of the case. They asked the commission to change the national definition of the meaning of inland marine so that the way might be paved for the writing of such a policy. Unless that definition is changed, the commission, it is understood, does not feel that it has authority to grant the petition. Leave to file the brief was granted, and it was being prepared this week. The case has been pending before the

commission for several months, having been taken under advisement following a hearing in June.

#### Explains New Canadian Rates

The Canadian Inland Marine Underwriters Association is not out to get the scalps of agents in Canada by bringing into effect on Oct. 1 the new, lower commission rates, according to W. E. McLean, secretary-treasurer and manager. The sole purpose of the new rates is to correct an evil which has been long existent in the business, that of uncontrolled commission rates.

Members of the Seattle staff of the Home group and their wives complimented C. E. Cochrane at a dinner party in honor of Mr. Cochrane's elevation to northwest marine manager. State Agent A. U. Hoelting and Lloyd B. Beattie, special agent, handled arrangements.

## Offers Abundant Marine Prospects

(CONTINUED FROM PAGE 19)

the shipper, who carried no direct insurance on the property, apparently assuming that all losses in transit would be recoverable from the common carrier.

The defense program undoubtedly will produce many abnormal losses. Several disastrous terminal and dock fires have already been reported. The agents clients, relying upon him to give them adequate protection, need insurance on their in-transit values today more than ever. The agent has a real opportunity to develop a substantial income from this class of inland marine covers.

Public truckmen in most states are required by law to carry liability for loss to property in their custody for transportation purposes. The inland marine motor truck cargo policy supplies this coverage.

#### Furniture Dealers

Another inland marine opportunity is with local furniture dealers, who obtain their stocks of merchandise from manufacturers located in distant cities f. o. b. point of shipment. In this event the dealer is responsible for the goods in transit. In case they sell f. o. b. point of destination, when a shipment arrives in the freight yards of a railroad the dealers pick up the goods with their own trucks. When sold to customers the goods are delivered on the dealer's trucks throughout their sales territory. If the agent analyzes his dealers' risks carefully he will probably find that he has written insurance to cover loss from trucks but that the daily cargoes on those trucks are not insured, although they are perhaps worth many times more than the trucks.

Many of these merchants' sales include time payment contracts in which the merchants have a continuing financial interest until the purchase price is paid. An inland marine deferred payment merchandise floater covers such property in transit from the merchant's premises to the purchaser and while there until the interest of the merchant ceases.

Merchants and manufacturers ship goods regularly by parcel post. Two convenient forms of policies are available, the coupon form and the open form which is used principally by shippers sending \$20,000 or more value annually. Purchase of this protection from companies saves dollars and time as well. On packages valued at \$5 or less the government and company charges under the coupon form are the same, 5 cents per

parcel, but the value of the average parcel is between \$5 and \$25, for which the government cost is 10 cents while the company cost is 5 cents. Company rates on the open policy form, for which the rate is established on the basis of volume of shipment, are lower than government rates because companies are able to select their risks while the government takes all parcels regardless of loss experience on susceptible goods.

Mr. Souders also touched on the opportunity offered by laundry and dry cleaner prospects who need bailees customers policies to protect the customers' goods while in their hands; the need of local banks for registered mail policies to protect shipments of money, notes, jewelry, etc.; the fine arts policy for art museums and others; the furrier's customer's policy to cover customer's goods while in the custody or control of the furrier; radio station towers, which can be insured under a marine policy against loss or damage from practically any cause; bridges and tunnels owned by cities, counties, states or private corporations, may be insured against "all risks", and others.

The personal property floater, is, of course, one of the big items in the agent's kit. Underwriters have observed a tendency to sell this floater—rather frequently on the basis of minimum premiums, Mr. Souders said. It requires a reasonably sound declaration of values by assured, and these values vary greatly in amounts as to individuals, so

that proper insurance in one case may be totally inadequate in another.

If companies don't receive premiums commensurate with their exposure, the loss ratio of the class will reflect the lack of sufficient income and increases in rates and premium structure will be in order, or policy conditions may be changed.

Mr. Souders called attention to the availability of three year term contracts on personal property floaters, which saves assured one-half year's premium on the basic policy. These term payments can be financed, and still offer assured a saving, which is extremely important in view of the lively competition for this business.

Agents should look into the inland marine possibilities afforded by all sorts of hobbies that involve property of value, Mr. Souders said.

Agents should remember that great masses of personal property valued at billions of dollars continually moves from one place to another and that fire insurance usually covers only on the premises. Flexible contracts make the inland marine field one of the best opportunities for increasing an agency's income.

Shelton-Loving Company, Dallas, has adopted the name Shelton, Loving & Kirkland. The agency which formerly shared quarters with its affiliate, Dallas Federal Savings & Loan Association, has moved to the Gulf States building.



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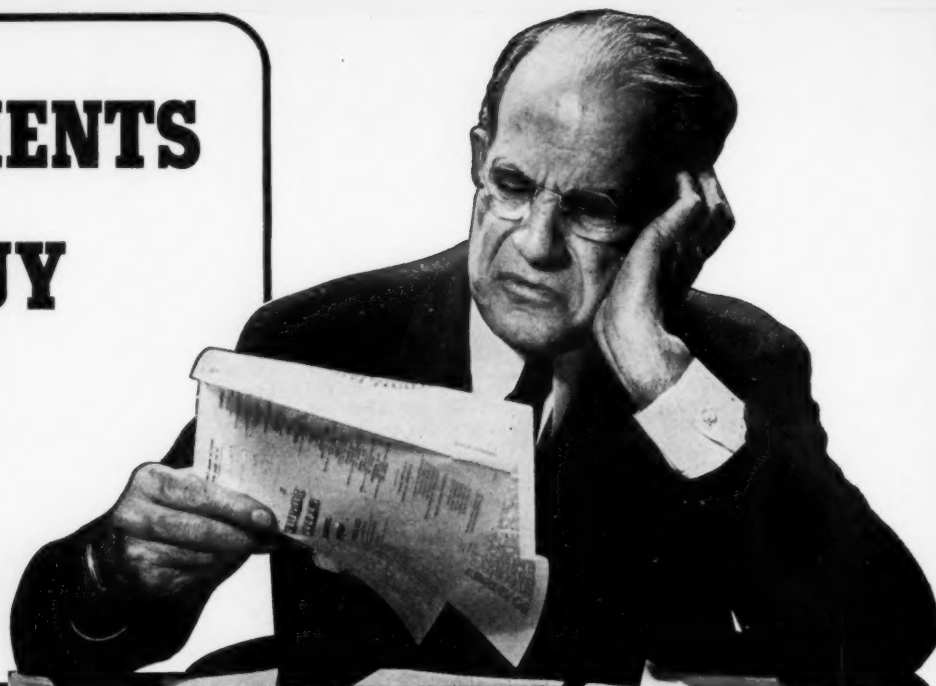
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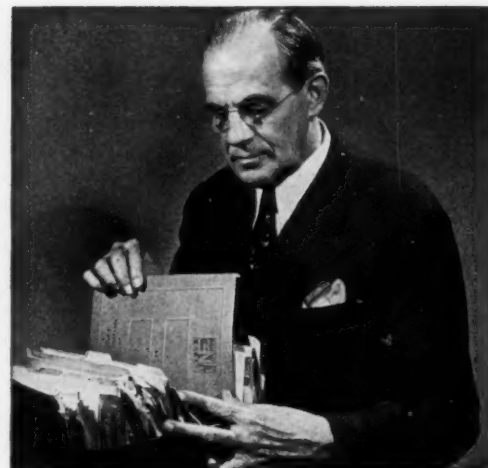
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